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Part I: Co-operation and Association

GERMANY.

THE TWO LARGEST GERMAN CO-OPERATIVE SOCIETIES FOR THE SALE OF EGGS.

§ 1. INTRODUCTION.

The agricultural co-operative societies have long ceased to limit their action to their original field, that of combating the extortion of the money lenders and dealers. Little by little have they brought a large part of the agricultural activities under their control, so that also in the field of production and sale the beneficent effects of the co-operative idea are more and more seen.

To what extent the farmers, even in comparatively not very important branches of their business, may profit by co-operative association, is quite specially seen in the case of the Co-operative Societies for the Sale of Eggs. These have made great progress in the last twenty years in Germany, as earlier in Denmark, where they were first started. The first German Societies of the kind were founded in 1895 and 1896 in the Province of Hanover (1), and hence the movement has spread to every part of the German Empire.

The chief reason for the establishment of Co-operative Societies for the sale of eggs is the difficulty of the sale, especially in remote districts where the farmers cannot sell to urban consumers directly and formerly were at the

[1] There was already a Society for the Sale of Eggs founded at Uhlenhorst near Hamburg in 1880, and in 1881 a similar organization was founded at Leipzig, but these can not be considered co-operative societies in the true sense of the term.

mercy of the local tradesmen or buyers, who offered prices that were little remunerative. The most important question for these societies is therefore how to eliminate this intermediate traffic. While they regularly place larger quantities of eggs on the market and can give assurance of their excellence, as they have carefully examined, sorted and packed them, they are in a position to seek favourable opportunities of sale in the larger centres of consumption and obtain fair prices.

In addition to this they also exert an influence in favour of poultry improvement, not only indirectly by procuring for the farmer an increase of revenue through the higher prices he receives for his eggs, but also directly by obtaining improved breeds of poultry and instructing their members in the proper feeding and care of the fowls. The first egg sale societies owed their origin to the poultry improvement unions and even to-day they are frequently organised in connection with the latter. Others are founded in connection with societies of other character existing already, such as the dairy and purchase and sale societies.

Such dependence on already existing organisations is especially to be recommended, on the ground that the co-operative spirit is already developed in the existing societies and the administration of their business is already organised, which largely helps them to overcome the initial difficulties. But there are also numerous independent co-operative societies in Germany for the sale of eggs.

The first condition for the success of such a society is that the eggs be of the best quality, since only in this way is it possible to meet the competition of foreign eggs, the value of the import of which into Germany, in 1912 is estimated at 187,000,000 Marks. The societies must therefore at once instruct their members to supply eggs quite suitable for sale. The supply of bad eggs is severely punished. In many societies payment is made by weight, so that the size of the eggs may be taken into consideration.

In other societies eggs of less than a certain size are refused.

To show their origin each egg is marked on delivery with the name of the Society and the number of the member. But this does not suffice to distinguish the society's eggs, since many dealers imitate the mark in order to pass their eggs off for those of the co-operative societies. Consequently, many societies have adopted a trade mark, which they have officially registered for their legal protection. In Hanover in 1899, the Agricultural Chamber adopted such a trademark the use of which is allowed to those societies the whole business conduct of which is security that they will only place fresh eggs on the market. This trademark at the end of 1913 was made use of by 107 out of the 146 unions in the Province.

The eggs are sold either through agents in the large towns or to whole-sale and retail dealers, hotels, boarding houses and even to private persons. An important matter is to ascertain if the purchaser can be given credit and is in a position to pay, since the societies may easily suffer losses through dishonest or insolvent purchasers.

The Imperial Federation of German Agricultural Co-operative Societies and other Co-operative Federations afford the egg sale societies

effective encouragement (1). In several regions, as in Hanover, Oldenburg, Schleswig-Holstein and Baden, special federations have been formed. Also the official bodies for the promotion of agriculture, that is to say the Agricultural Chambers, give their support to these egg societies. We have already mentioned the introduction of the use of a trademark by the Agricultural Chamber of the province of Hanover. The same Chamber has also founded a Central Institution for advice to the societies in regard to their foundation and organisation and the conduct of their business, and every week it holds enquiries into the price of eggs, in which, in 1913, 53 unions took part. In Oldenburg the Agricultural Chamber and the Poultry Improvement Federation have founded a model poultry farm from which the poultry improvers can obtain eggs and poultry for breeding.

The statistics of the total production of the German Egg Sale Societies are incomplete. In the Yearbook of the Imperial Federation of German Agricultural Co-operative Societies for 1913 (pp. 521-522) figures are only given for 78 societies. Of these only 42 had given the value of their sales, amounting altogether to 1,854,600 Marks.

§ 2. THE EGG SALE SOCIETY OF WIEFELSTEDT IN THE GRAND DUCHY OF OLDENBURG.

Generally, the field of an egg sale society is fairly limited. But there are also some that do quite an important business. According to an account published in the *Deutsche Landwirtschaftliche Presse*, (2) the largest now existing in Germany is the Wiefelstede Egg Society, founded in Oldenburg in 1899.

As is to be seen in Table I, reproduced from the article in question, the number of eggs supplied by this society was in 1906 already more than 2,000,000 and in 1911 more than 3,000,000. The figures for the results attained as well as for the average weight of the eggs are also instructive, showing that both the quality of the eggs and the prices received have improved from year to year.

In 1906 the society erected a building of its own for the conduct of its business at a cost of 13,000 marks. It occupies a total area of 440 sq. metres and has a packing room, 88 metres square, in which the eggs are packed and the chests prepared for despatch, a dark chamber, 26 metres square, in which all the eggs already previously examined at the collecting stations are again candled under the electric light and sorted according to size. a

(1) The foundation of egg sale societies in general was discussed by the Imperial Federation on its Co-operative Societies' Days (*Genossenschaftstagen*) in Breslau in 1909 and at Munich in 1901.

(2) NIS PETERSEN (Molkerei- und Verbandsrevisor): Deutschlands grösste Eierverkaufsgenossenschaft. *Deutsche Landwirtschaftliche Presse*, January 2nd., 1913.

workshop on the ground floor, 103 metres square, in which about 150 new egg chests are got ready by the packer in the winter months and the old ones repaired, and a lading room with platform (58 metres square) where the egg chests brought in wagons from the 21 collecting stations are unloaded, and the chests ready for despatch are weighed and placed on the wagons to be transported to the railway. Besides this, the Society has its own electric plant of a value of 900 marks and more than 2,000 egg chests, the cost price of which was 12,000 marks. There is still only a debit in the books of 500 marks on this plant; the rest of the cost, 25,400 marks, being already written off. And according to the last balance sheet the society has a reserve fund of nearly 4,000 marks.

The whole area served by the society is divided into 21 districts. In each there is a collecting station. These 21 stations are almost without exception worked by private individuals. The eggs are delivered at the stations regularly every Saturday afternoon. The collector establishes the weight, enters it in the delivery book of the supplier, and on the register of the station, candles the eggs, arranges them according to size and packs them in the station chests.

Early on Sunday and on Monday the eggs are fetched from the collecting stations in two wagons and transported to the society's building. The packer receives them there and at once two women begin again to test and sort them. The candling of the eggs in the dark chamber is conducted as follows, cardboard boxes containing 40 eggs are placed in a tin frame with transparent glass on each side. If the frames are then held before the clear light of an electric lamp, the slightest change in the eggs can be clearly detected. A good egg must not only be transparent, but it is also required that the yolk be in the middle and when shaken no important change in its position be immediately observable. The most accurate examination can be made without taking a single egg out of the box. A woman employee can easily candle 30 chests of eggs a day. The society owes its good reputation and the possibility of obtaining the highest prices on the market to the fact that every egg is candled.

After examination the eggs are packed in chests, which are sealed and weighed. On Monday evening enough chests are ready for transport to the railway to begin despatch. In the evening already a truck leaves for Cologne, arriving there early on Wednesday. A second truck leaves on Thursday for Barmen. In both places the society has a trustworthy agent to deliver the eggs immediately on the arrival of the truck to the consignees as instructed. In case of need there must be three wagons in readiness for them. In this way the purchasers not only save considerably in the matter of railway charges and expenses, but the eggs are consigned to them nearly two days earlier than when booked to them individually.

The relations of the members to the society are regulated principally in accordance with the following main provisions of the society's rules. It is strongly insisted on that the various regulations must be accurately observed. If a member fails in his duty, punishment will at once be meted out.

§ 1. — Every member of the Wiefelstede Egg Sale Co-operative Society must consign the eggs laid on his farm to the collecting station of his district, with the exception of those required for his personal consumption or that of the members of his household (labourers and lodgers) and for breeding purposes. If eggs which have been acquired by purchase or exchange are consigned to the society, the supplier will be fined 30 marks, and, on repetition of the offence, 50 marks.

§ 2. — After delivery of all the eggs intended for sale on the days appointed by the business manager, the society will fetch them from the collecting stations.

§ 3. — The eggs must be taken from the nest every day and in the summer months kept in the cellar or some other dark and cool place until the day of consignment.

§ 4. — All the eggs must be marked with the number of the consignor.

§ 5. — If the eggs are found to be not up to standard, a deduction of 1 mark a piece will be made from the consignor's account. As nest eggs only porcelain eggs may be used, which the society will supply to its members at cost price.

§ 6. — The eggs are purchased by weight. It is left to the management to decide whether they shall be sold by weight or quantity.

§ 7. — The price per kg. of eggs is fixed by the management of the society for each month at the end of that month; the proceeds from sales, after deduction of expenses etc., are paid over by the Wiefelstede office, beginning with the 15th. of the following month, to the collector who pays the consignor on the next day of consignment of eggs.

§ 8. — Every one who supplies eggs receives from the society a book, in which the collector must enter the weight of the eggs of each consignment.

§ 9. — If it is proved that a member sells eggs to dealers, he is fined 20 marks for breach of contract. In case of repetition of the offence, the management may increase the fine to 30 marks or refuse to accept further consignments from him.

§ 10. — The eggs must be delivered clean; dirty eggs must be cleaned before consignment. The collector is responsible for only clean eggs being placed in the boxes; he must refuse dirty ones.

§ 11. — The whole supply of eggs must always be delivered. It is not permitted to keep any back for a later collection.

§ 12. — The eggs delivered at the collecting stations must have a minimum weight of 50 gr.; smaller eggs as well as such weighing more than 80 grammes must be refused by the collectors.

The progress made by the society is seen in the following table :

TABLE I. — *Progress of the Wiefelstede Egg Sale Co-operative Society.*

Year	Number of Members	Weight of Eggs Consigned	Number of Eggs Consigned	Gross Receipts for Eggs	Average Receipts per Egg		Total Paid to Members for Eggs	Average Paid per Egg
		Kg.		M.	Pl.	Gr.	M.	Pl.
1899	102	2,452	41,779	3,003	2.19	57.50	2,690	5.1
1900	220	31,630	548,965	33,165	6.04	57.62	29,040	5.2
1901	293	44,310	768,031	47,391	6.18	57.76	41,709	5.4
1902	320	65,107	1,118,690	69,016	6.17	58.70	59,403	5.3
1903	347	75,773	1,282,560	80,011	6.24	59.07	71,725	5.6
1904	371	83,648	1,391,184	89,803	6.45	60.13	80,881	5.8
1905	414	99,313	1,647,460	113,250	6.88	60.30	101,274	6.2
1906	455	122,056	2,012,860	145,972	7.25	60.64	130,860	6.3
1907	512	143,687	2,356,800	172,415	7.32	61.00	155,333	6.6
1908	538	162,846	2,660,954	196,169	7.37	61.19	175,959	6.9
1909	553	167,678	2,731,168	210,430	7.70	61.40	190,460	7.0
1910	562	177,852	2,895,600	219,059	7.57	61.12	199,144	6.9
1911	587	185,231	3,015,000	234,393	7.77	61.44	215,600	7.2
1912	625	200,266	3,253,785	266,839	8.20	61.56	240,363	7.4
1913	655	224,572	3,644,400	301,969	8.25	61.62	273,179	7.5

§ 3. WARDENBURG CO-OPERATIVE EGG SALE SOCIETY IN THE GRAND DUCHY OF OLDENBURG.

The second largest German co-operative society for the sale of eggs is that of Wardenburg, also in the Grand Duchy of Oldenburg.

This society, of the progress and activity of which Herr Nis. Petersen, Inspector of the Dairies of Oldenburg and their Federation, has kindly favoured us with a detailed description, was founded in 1901 as a registered co-operative society with limited capital, in connection with the Wardenburg Co-operative Dairy and had at first 23 members. At the end of the first year it had already 72 and at the end of the working year (which corresponds with the calendar year) 1913, they had reached the imposing number of 610. The changes in the number of members in the period from 1901 to 1913 is seen in the following Table II.

According to the rules the amount of a share is 10 marks. Members may pay this amount in full. At least one tenth must be paid on entering the society. According to the provisions of the rules, which also in this case represent the real basis on which the relations of the members to the society depend, also in this society the consignment of the eggs is compulsory.

The sphere of the society includes twenty villages and it has twenty collecting stations, to which the eggs are consigned once a week. A carrier transports the eggs from the different collecting stations to the head station. The whole field of the society is divided into a larger and a smaller circle. The purchase price per kg. of eggs, fixed every month by the management, only affects the members of the smaller district whose eggs are collected by the carriers of the head station. Those members who live outside the district receive from 1 to 2 pf. per kg. less, according to the cost of carriage to the nearest collecting station of the smaller circle of members. In regard to the treatment of the eggs up to their consignment to the collecting stations, almost the same regulations are in force as in the case of the Wiefelstede Society. For delivery of eggs which on examination are found to be bad, the consignor is fined 50 pf. per egg.

Also this society attaches great importance to the eggs being always delivered clean. As far as possible to avoid the necessity of cleaning and to get naturally clean eggs, the poultry yards must be kept clean and strewn with sand or peat dust. The poultry improvers must give special attention to the cleanliness of the nests. Dirty eggs must as far as possible be cleaned when dry, and, if this is not possible, careful wiping with a cloth moistened with vinegar or a solution of salt is allowed.

In regard to the feeding of the fowls, the management is empowered, with the consent of the council of supervision, either to forbid the use of certain foods entirely or to limit their use. For example, the use of more than 10 gr. of fish meal per day per fowl is absolutely forbidden.

The members' accounts are settled monthly. The price per kg. of eggs is fixed by the management of the society at the end of each month for the month passed. The proceeds, after deducting expenses, are paid over by the managing office to the collecting stations in time for the members to be paid on the day for collection first after the 20th. of the following month.

The eggs consigned by members must have an average weight of from 55 to 62 grs. Under special circumstances smaller eggs will be accepted, but not eggs of less than 45 grs. If the small eggs are sorted out and sold separately, the society strongly insists on the consignment of eggs as far as possible of the same size. Fine eggs of one size weighing from 60 to 62 gr. are most in favour and obtain the highest prices on the market.

Tables II and III will give an idea of the progress made by the society and the results attained by it :

TABLE II. — *Development of the Wardenburg Society.*

Year	Members	Sales		Receipts	Paid to Members	Expenses	Gross Price per Egg	Profit Margin (per cent)
		Eggs	Kg.	M.	M.	M.	Ms.	
1901	72	—	—	—	—	—	—	—
1902	149	148,194	20,204	21,240	18,332	1,901	5.80	90
1903	179	464,660	27,302	28,881	25,308	2,887	6.21	50
1904	209	527,321	32,012	34,832	30,378	3,530	6.61	373
1905	258	795,229	42,500	48,555	43,097	4,458	6.88	514
1906	282	906,731	54,740	66,283	59,260	5,817	7.30	335
1907	342	1,175,891	71,872	86,600	77,375	8,289	7.36	473
1908	378	1,422,847	86,163	102,771	91,896	10,858	7.22	94
1909	404	1,531,918	93,703	118,195	105,853	11,521	7.71	800
1910	544	1,683,571	102,562	128,010	114,850	12,603	7.71	60
1911	512	1,935,577	117,886	151,856	137,351	13,173	7.85	495
1912	561	2,227,428	135,371	180,946	164,751	15,326	8.12	221
1913	619	2,672,264	162,507	220,944	202,650	17,477	8.27	912

TABLE III. — *Prices Paid to Members by the Society.*

Month	Per Kg. (M.)		Per Egg. (Pf.)	
	1912	1913	1912	1913
January	1.60	1.52	9.6	9.3
February	2.40	1.40	8.6	8.6
March	1.06	1.07	6.6	6.6
April	1 —	1 —	6.2	6.2
May	1.07	1.09	6.5	6.6
June	1.12	1.18	6.8	7.2
July	1.22	1.25	7.4	7.6
August	1.30	1.33	8.0	8.1
September	1.42	1.46	8.9	8.9
October	1.95	1.95	12.0	12.0
November	2.20	1.25	13.2	13.7
December	1.90	1.95	11.5	12.0

That the Society has been able to pay from year to year comparatively better prices is due in the first place to the large increase in the number of members. Only the Society can obtain satisfactory prices, as even in the winter months when few eggs are laid, it is able fully to satisfy its customers without the need of special arrangements. On the other hand, it requires its customers, even during the summer months when there is often an over supply of eggs, to take their goods at a price profitable for it.

At the beginning of 1913 the selling prices were very low. This was chiefly due to the mild winter and the consequent increase of foreign competition. As the statistics show, the prices soon rose again and thanks to prudent management and the good use made of the situation, a higher average price was obtained than ever before.

Although the head quarters of the Society are comparatively far from the railway, the expenses are in proportion small. The statistics show clearly that with the considerable increase of the Society the cost per cent has been reduced with a rapidity out of all proportion to it. Further success, which may be expected with certainty, will lead to still more favourable results. Not only that the additional expenditure for salaries, carriage, and commissions decreases in comparison with the growth of the Society, but also, with the increasing requirements from year to year, the supply of the necessary articles is obtained under more favourable circumstances, which, in view of the large requirements, is a matter of great weight.

The balance sheet is very satisfactory, the debt on the building being reduced to one mark and a comparatively large reserve fund having been formed.

And, even independently of what is shown by the tables and by its balance sheet, the Society has developed. The eggs it sells have considerably improved in quality. Only at first do new members consign small eggs; they soon learn that really good prices will only be given for large eggs. In consequence, since the foundation of the society, the average weight per egg has risen from 58.3 gr. (1901) to 60.8 gr. (1913).

SPAIN.

CO-OPERATION IN SPANISH AGRICULTURE.

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(1) Some of this bibliographical material, as well as the statistics and information given in this article, was collected immediately by Dr. José Luis Alcázar, one of the Staff of the International Institute of Agriculture, who was instructed to study the matter in Spain.

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In Spain, co-operation is of recent date. Although some societies for the manufacture of silk in Valencia were founded in the middle of the last century, we may say that the co-operative principle only established itself fully and firmly after the law of 1887 guaranteed the exercise of the constitutional right of association. The region of Catalonia, which is to day the most important co-operative centre of the country, in 1883 possessed only five societies. The movement in favour of agricultural co-operation, is still more recent, for, as we shall see, although it also began after the above law on the associations was voted, it only really made progress after the law of 1906 on agricultural syndicates.

It is extremely difficult to give an accurate and complete idea of the present situation of co-operation in Spain. The absence of statistics, the fact that the co-operative societies are not kept separate from the other associations in the prefects' registers, the isolation of most of these institutions and other causes yet, scarcely allow of our obtaining concrete and accurate information in regard to co-operation in the peninsula. Still, authorities like Díaz de Rábago, (1) Garido, Piernas, Hurtado and, generally, all the historians of the Spanish co-operative movement, agree in saying that co-operation has not developed in the degree required by the social

(1) DÍAZ DE RÁBAGO, Joaquín: *Complete works*. Vol. VII. Co-operation in Spain. Printed by José M. Paredes, Santiago, 1900.

economy of the country and the working classes, both agricultural and industrial, "through their want of enterprise and insufficient economic education and their ignorance of the means in their power for the improvement of their situation, have not shown themselves as ready and eager to form co-operative associations as in other nations". Needless to say that the movement has been most active in country circles. Fortunately, the results of the propaganda made by men like Chaves, Arias, Rivas Moreno, the Viscount de Eza, P. Vicent and others who have devoted their energies to pioneer work in behalf of agricultural association and co-operation is already bearing fruit.

Before studying the co-operation movement in the Spanish country and its effects, we shall briefly consider the legislative provisions in force in regard to it.

§ 2. LEGISLATION ON CO-OPERATIVE SOCIETIES.

In Spain there is no special law for these societies; they generally come under the provisions of the general law of June 20th. 1887 on associations, which regulates the right of association, and the agricultural co-operative societies benefit by advantages granted by the law of January 28th. 1906 on agricultural syndicates.

(A) *Law of 1887 on Associations.* — This law, in its first article, after establishing its application to all associations not only and exclusively profit seeking, lays it down that "co-operative societies for production, credit or distribution" shall be also subject to its provisions. This is a general law rather providing for public order than for the regulation of groups or legal institutions. However, let us repeat, it is the only general law on the matter.

The foundation of the co-operative societies is, in the first place, subject, according to this law, to a tacit or preliminary declaration showing their legal character. The founders, eight days before the society is constituted must lay before the Governor of the Province in which it is to have its head quarters, duplicate copies of the rules by which it is to be governed, clearly indicating the name and object of the society, the manner in which it is to be administered, the means by which it expects or intends, to cover its expenditure and the use to which the funds or the property of the society are to be put in case of dissolution.

If the documents have not been returned by the Governor within 8 days as not satisfying the required conditions, the society may be validly constituted.

These formalities being completed, the co-operative society is able to begin work, forwarding to the Governor a certified copy of the deed of constitution. The law does not require that the deed be public, so the societies may be constituted by private deed.

The societies may adopt any of the forms of commercial societies (that is, may be societies of collective title, societies *en comandita* or limited liability societies); the liability of members is fixed according to the provisions of the commercial code. They may be constituted with or without capital. In the first case, it must be shown whether this capital is entirely or only in part subscribed, and in what manner the society will pay its expenses.

The law obliges the associations to keep registers showing the name, profession and domicile of all its members. This register must be exhibited to the authorities on demand. In addition, each provincial Government shall keep a special register in which the name and head-quarters of the associations of the regions are entered.

Such are the principal provisions of the law of 1887 which, considering the societies generally as simple associations, wrongly assimilated them to the *gremios*, mutual aid societies, thrift societies and all associations formed for scientific, artistic and benevolent purposes and, generally, to purely profit seeking associations and they limit themselves to the regulation of their external relations in public law.

The law in question does not grant any fiscal exemption in behalf of co-operative societies. Still these societies are exempt from stamp duty in accordance with article 203 of the stamp law of 1900.

The agricultural co-operative societies were regulated like the others by the 1887 law up to the year 1906, when the law on agricultural syndicates was promulgated, which, by means of exemptions and special privileges, gave a real impulse to rural association.

(B) *The Law of 1906 on Agricultural Syndicates.* — Generally, it may be said that all the agricultural co-operative societies now existing have conformed to the law of January 28th., 1906, on agricultural syndicates, for there is only a very small number governed by the law of 1887 on associations.

This does not mean that there are two fundamental laws on the subject. Indeed, the law on syndicates is not a really essential law by which all the associations formed for any one of the ends specified in it must necessarily be governed, but one instituting a regime of favour to which the associations may conform themselves either directly, by constituting themselves according to its provisions, or by applying to be considered as syndicates after they have been already founded. This will appear very clearly if we consider that not only does the law on syndicates impose no obligation on them in regard to the supervision to be exercised by Government authority but also that the executive regulations refer to the general law on associations when fixing the dates on which the syndicates must submit their accounts to the authorities.

Thus then, in regard to Spanish legislation on co-operative societies, the 1887 law on associations remains always the general law, the 1906 law on syndicates being published as a law of favour to encourage association generally and agricultural co-operation by means of special exemptions from taxation.

Let us now consider the principal provisions of the 1906 law on syndicates.

It is first of all laid down that as agricultural syndicates for the purposes of the law — that is for the enjoyment of the exemptions and privileges granted to these groups — are to be considered the agricultural associations, societies, communities and chambers constituted at the date of promulgation, or that shall be legally constituted later for one or more of the following ends:

(1) purchase of agricultural implements and machinery and breeding stock for the benefit of the syndicate ;

(2) purchase, by the syndicate or the members composing it, of manure, plants, seeds, livestock and other things needed for agriculture and livestock improvement ;

(3) sale, exportation, preservation, transformation or improvement of the produce of agriculture or livestock improvement ;

(4) clearing, utilisation and drainage of waste land ;

(5) construction or utilisation of works for the benefit of agriculture, livestock improvement or derived or auxiliary industries;

(6) application of measures against dangers threatening agriculture;

(7) creation or encouragement of establishments or organisations of agricultural credit (credit on personal security, on pledge or on mortgage) either immediately among the members of the association itself or by the foundation or assistance of banks or Pósitos not depending upon it, or by establishing itself as intermediary between such establishments and its members ;

(8) the work of co-operative, mutual, insurance, aid or disablement and old age pension societies for farmers or livestock improvers ;

(9) education, publication, experiment, the opening of exhibitions and shows and the employment of all means for the diffusion of knowledge of service in agriculture and livestock improvement and the stimulation of their development and progress.

(10) the study of the defence of the common agricultural interests of the syndicates and the settlement of their disagreements by means of arbitration.

We see then that although the ends indicated under clauses numbers 1 and 2 (purchase), 3 (production and sale), 4 and 5 (work) and 7 (credit) are of a co-operative nature, the law makes special reference to co-operative societies under no. 8, so that there may be no doubt on the subject of its application to these institutions.

The law also regards as syndicates the agricultural associations for collective ends included amongst those we have enumerated.

The legal position established by art. 38 of the Civil Code is recognised as belonging to the syndicates constituted in accordance with the law under consideration. They may consequently purchase and possess property of every kind, as well as contract obligations and exert action of every kind, in conformity with the laws and provisions regulating their constitution.

The members of an agricultural syndicate may at any time withdraw from it, notwithstanding any clause to the contrary inserted in the rules.

without affecting the obligations or liabilities assumed by them to which they are subject at the date of leaving the association. The rules shall lay down the rights the members may retain on withdrawing, in the case of thrift, mutual aid, pension and other similar institutions, acquired either by means of service or payment or freely during the period of membership.

The acts for the constitution, the modification, the union or dissolution of agricultural syndicates are exempted from all stamp and transfer dues (1). The acts and contracts to which an agricultural syndicate duly constituted and registered is a party as a legal person enjoy the same exemption if their direct object is the realisation, according to the rules of the society, of any of the ends enumerated in the law. Thrift, co-operative or credit institutions formed by agricultural syndicates on the basis of mutuality, among their members, shall only be liable to income tax in respect of the dividends distributed among the members out of the profits made.

Customs dues on machinery, implements, seeds, breeding stock and other articles required for agricultural or livestock improvement industry shall be repaid by the Treasury on demand made by the syndicate, always provided the Agricultural Department furnishes a statement as to the advantages and general utility of their importation.

Such are the principal provisions of the 1906 law, in accordance with which as we have said, the agricultural co-operative societies work. The final executive regulations were only issued on January 16th., 1908.

§ J. THE ASSOCIATION MOVEMENT AND CO-OPERATIVE ORGANIZATIONS IN AGRICULTURE.

The legislative provisions we have just examined show that agricultural association and co-operation were not clearly defined and separated from it.

The same confusion existing in the legislative sphere appears also in practice; in fact, there are scarcely any manifestations of co-operation in agriculture independent and specialised, as, so to say, there is no form of agricultural association the action of which does not take a co-operative form. Further, as we have said, almost all the agricultural co-operative societies now existing conform to the regulations of the law on syndicates so as to enjoy the advantages it affords and present themselves consequently under the form of syndicates.

(1) Notwithstanding these explicit provisions of the law we are examining, there was still at the time when, in virtue of the provisions of the law of March, 1906 on customs and the financial law of 1910, the branches of the administration concerned held that they had been implicitly abrogated. The Minister of Agriculture, after consulting with the Council of State, settled the matter by means of a Royal Order of May 28th., 1914, declaring these exemptions to remain in force. See the number of this Bulletin for October, 1914, p. 22.

Thus, a study of agricultural co-operation in Spain implies not only a study of the co-operative societies but also that of the co-operative action of the syndicates, agricultural chambers, communities etc. It is therefore necessary to give a few indications of the association movement in Spain which is, at the same time, under some aspects the co-operative movement.

Although in Spain the principle of agricultural association and its practical realisation may be traced back to a very distant date, the manifestations of agricultural association, in its modern form, only appeared recently. Indeed, in 1770, the ancient Council of Castile registered 25,927 associations called *Cofradías* or *Hermandades*; these institutions had a character at once civil and religious, and possessed land, trees or livestock, which they enjoyed in common, and the profits from which they devoted to ends of a collective character: assistance to the sick, works of public utility for the locality, periodical festivals etc. There were also numerous institutions in Galicia, the Asturias and Valencia for insurance of livestock or for mutual aid to their members in the way of services. But all these associations which, having beneficence in the first place for their motive and end, represent an embryonic form of modern association, have remained stationary, living isolated lives and following local traditions, so that although they are very numerous today, as Costa, the historian of Spanish customary law, attests, they cannot be connected with the association movement now developing in the Spanish country districts.

Thus then, leaving aside these embryonic manifestations attesting the pre-existence of the spirit of association in Spain, in spite of the traditional profoundly individualistic character of the peasants, we must repeat here what we said at the beginning of this study, namely that the agricultural association movement, like the general co-operative movement, only began with the promulgation of the law of 1887 on associations and that its period of development only began with the promulgation of the law of 1906 on agricultural syndicates and the final regulations in connection with it.

If we now examine the agricultural social institutions that have contributed to develop co-operation by means of the form taken by their activity we see that these institutions are:

Agricultural Syndicates, including, under this name, rural banks and generally agricultural associations of a technical or professional character having for the most part co-operative sections;

Agricultural Chambers, founded by Royal Decree of November 14th. 1890, to encourage and protect the interests of agriculture, the principal objects of which are to found (a) savings banks and insurance societies for the benefit of their members; (b) to buy for resale or to hire machinery, implements, manure, seeds and livestock and guarantee the payment of these articles when bought by members; (c) to receive deposits of every kind, to accept money in current account etc.;

Farming Communities, established by law of July 8th., 1898, which, together with their rural police duties, have co-operative sections for distribution, credit and labour that they have instituted;

Finally, the *Saving Banks*, and *Pawn Establishments*, which grant loans to rural banks and encourage their foundation,

One of the difficulties in the way of the study of the co-operative movement in Spanish Agriculture is the almost complete want of statistical data and monographic studies of a general character. However, according to the official and technical publications and the information we have been able to collect directly, it appears that in 1912 there were 2,029 agricultural associations distributed as follows: 93 Agricultural Chambers, 80 Farming communities, 85 Saving Banks and 1,771 Agricultural Syndicates.

If we compare these data, exclusive of those for the Savings Banks, which we have no means of comparing with the corresponding figures for 1908, we may see the progress realised by agricultural association in 1908-1912.

	1908	1912
Agricultural Chambers	74	93
Farming Communities	24	80
Agricultural Syndicates	856	1,771
Total	954	1,944

To show the geographical distribution of the syndicates which, as we have seen, form the largest group of Spanish agricultural associations, we reproduce the following data from the Report published in 1912 by the Spanish Farmers' Association.

Provinces	Number of Syndicates	Provinces	Number of Syndicates
Asturias	10	Lerida	20
Biscaya	6	Logroño	21
Barcelona	27	Lugo	21
Burgos	5	Madrid	17
Cáceres	21	Málaga	2
Cantabria	45	Murcia	7
Ceuta	18	Navarre	174
Córdoba	70	Orense	20
Cuenca	50	Oviedo	38
Extremadura	48	Palencia	26
Galicia	3	Pontevedra	20
Gran Canaria	3	Salamanca	71
Guinea	24	Santander	41
Huelva	3	Segovia	12
Jaén	11	Seville	45
La Rioja	34	Soria	20
León	17	Tarragona	36
Lima	24	Teruel	23
Lima	25	Toledo	7
Lima	25	Valencia	77
Lima	343	Valladolid	113
Lima	11	Biscay	4
Lima	17	Zamora	9
Lima	3	Zaragoza	70
Lima	14		

The above table shows that agricultural association has made most progress in the provinces of Navarre and Valladolid; although Guipuzcoa has a large number of associations, most of them are old local livestock insurance societies now being transformed on scientific principles. The provinces with the smallest number of syndicates are Malaga, Jaen, Ciudad Real, Cadiz and the Canary Islands.

§ 4. VARIOUS FORMS OF AGRICULTURAL CO-OPERATION.

However, in Spanish agriculture, co-operation has not attained that degree of specialisation which is in other countries due to a superior degree of improvement and development. The organization of co-operation in Spain is still in its first stages. In fact, except for the orange growers' syndicates, rural banks, co-operative wine societies and a few others, generally the co-operative organizations derive their origin from the needs of the members of the rural associations. However, some time ago they began making their appearance under the form of special permanent divisions of these associations, which allows us to suppose that they will soon reach the degree of specialisation mentioned above.

In regard to the different forms of agricultural co-operation, it will not be possible for us to give complete statistical information for the reasons given in the foregoing paragraphs. The reader will find in the following pages a statement of the principal characteristics of these forms of co-operative activity met with in the field of Spanish agriculture.

As we have seen the agricultural co-operative forms are mostly agricultural syndicates. If we desire to establish approximately in what proportion these undertake different work we may say that, so to speak, there is no syndicate that does not contemplate the collective sale of manure and seeds; after this it is with co-operative credit they occupy themselves most frequently. The proportion of syndicates occupied with co-operative distribution is not more than 20 % or 25 %. From 15 to 20 % of them engage in the co-operative purchase of agricultural machinery and implements. Finally, co-operative production is only represented by the orange growers' syndicates and a few co-operative wine societies.

§ 5. CO-OPERATIVE CREDIT.

(a) Rural Banks.

Co-operative credit is of recent introduction in Spain. The first rural banks were founded in 1901 and 1902; but the movement in favour of the organizations only took definite form in 1904, when the banks in Navarre showed notable progress. The *Paz Social* reckoned that in 1911

thousand social institutions were engaged in agricultural credit business. We may say that there are now scarcely any rural associations without their credit banks.

Amongst the most important of the Spanish rural banks, as regards their organization, their resources and their business operations, are those of the province of Badajoz, which, together with those of the province of Cáceres, are known under the name of *Cajas rurales Extremeñas*, that is of Extremadura. The essential difference between the banks of the province of Badajoz and those of Cáceres is that the former are founded among rich landowners, whilst the members of the latter are small farmers. These banks of Extremadura are founded on Raiffeisen principles, but with essential modifications which constitute them a special type.

They preserve the following characters of the Raiffeisen banks; the members are jointly and severally liable to an unlimited degree; they obtain material and moral advantages for their members by means of credit; there is no initial contribution of capital; they never lend to non-members; the members receive no dividends and the reserve fund is not to be touched even in case of the dissolution of the society.

But they depart from Raiffeisen principles in the points we shall now mention; besides the cashier, who is remunerated, even when he is a member of the Board of Management, the Manager, the Secretary and the bookkeeper are all paid; and the action of each bank is not restricted to a small area but extends to a whole locality, however large, and sometimes to several localities. They further differ from the Raiffeisen banks in regard to the monthly contribution paid by members; the limitation of the amount to be given in various classes of loans and the amount which may be granted to members in each class; in regard to the qualifications necessary for the members of the Board of Management, and the right of the Board to invest a proportion of the annual profits for the advantage of agriculture.

Among these differences from the Raiffeisen system, it is the payment of monthly contributions that quite specially distinguishes the Extremadura banks. There are, however, some banks, like that of Valencia del Ventoso, in which such contributions are not paid. In regard to the election of members of the Board of Management the difference is important; two thirds of the board must be elected from among a definite number of members, selected from among the principal contributors, and from this group the President, Vice-President and Secretary are chosen. So that attempt has been made to ensure the success of the Banks by means of their management by those whose liability is greatest.

In most of the banks now existing the foundation capital was formed by means of a credit opened at the *Banco de España* on the personal security of the members of the Board of Management. This credit varies, according to circumstances, between 100,000 and 150,000 and even reaches the amount of 200,000 pesetas, as in the case of the Bank of Fregenal de la Sierra.

The maximum limit of the loans in the banks where there is a limit varies generally between 1,000 and 5,000 pesetas for loans on personal security and on pledge and between 20,000 and 50,000 pesetas for those on mortgage. The Banks, which have fixed no limit, have granted loans up to 100,000 pesetas.

The ordinary interest in the case of mortgage loans, is $5\frac{1}{2}\%$ and in that of loans on personal security or on pledge 6%. On savings deposits 4% net is paid and they are exempt from all taxation.

The first of these banks was founded at Fuente de Cantos in October, 1905. Since that date more than twenty have been founded in the Province of Badajoz with more than 6,000 members including in their sphere of action 58 localities.

To show the importance of the rural banks of the province of Badajoz, we give below the figures for the year 1912.

TABLE I. — *Situation of the 20 Banks on December 31st., 1912.*

	Total for all Banks	Average per Bank
Number of Members	6,009	300
Loans on Personal Security Pesetas	1,430,779	71,538
" " Pledge "	336,685	16,834
" " Mortgage "	7,344,050	367,202
Capital Guaranteed by Joint and Several Liability "	156,380,935	7,814,000
Debt to the Banco de España "	3,661,859	183,092
Deposits "	6,350,670	317,533
Real Estate and Government Securities "	1,324,011	66,200
Own Capital of the Banks (Reserve Fund) "	678,394	33,919

In order that the reader may have an idea of the position reached by the rural banks of Extremadura, we give below data showing the development of the banks of the province of Badajoz in the five years 1906-1910.

TABLE II. — *Progress of Rural Banks of the Province of Badajoz 1906-1910.*

Particulars	1906	1907	1908	1909	1910
Number of Existing Banks	9	14	20	24	24
Localities Included in their Spheres of Action	24	40	49	63	63
Number of Members	1,559	3,102	4,582	5,739	5,941
Capital Guaranteed by Joint and Several Liability	pesetas	pesetas	pesetas	pesetas	pesetas
	40,245,105	84,478,782	134,483,480	157,064,788	161,349,075
Loans on Personal Security	332,077	834,594	1,109,438	1,354,681	1,354,887
Loans on Pledge	—	24,915	143,364	203,063	180,829
" Mortgage	717,167	2,530,441	4,591,627	6,395,530	7,173,575
Total Loans	1,049,244	3,389,980	5,934,429	7,942,274	8,709,291
Real Estate and Government Securities Held by the Banks	—	—	434,060	439,060	716,956
Savings Banks	59,200	760,477	2,817,165	2,817,165	4,089,173
Debt to the Banco de España	1,323,510	3,090,429	5,566,346	5,566,345	5,183,813
Own Capital of the Banks (Reserve Fund)	11,933	72,941	158,254	308,540	308,540

Among these banks, that serving the largest number of localities (11 in all) has its head quarters at Cabeza de Buey; that of Almendralejo shows the largest number of loans, 1,304,175 pesetas; that of Villafranca de los Barros the highest figures for the reserve fund, real estate and Government securities, respectively 229,621 pesetas, 1,160,797 pesetas and 2,164,871 pesetas. The Bank of Fregenal de la Sierra has received the largest advance from the Banco de España (759,586 pesetas) and has the largest capital (31,096,695 pesetas).

The rural banks of the Province of Badajoz, of which we have just spoken, form the Agricultural Federation of Extremadura.

Together with the Extremadura Banks we have now studied, there are others in larger or smaller numbers in the other regions of Spain. We have already said that the movement in favour of these institutions first made progress in Navarre. In 1910 there were 143 rural banks in the region serving 417 localities. The Navarre banks are also unlimited societies. As

a characteristic peculiar to them, we shall mention that on their admission the members contribute 10 pesetas to the share capital, which is considered as a deposit without interest. These banks ask 5 % a year interest on their loans and 6 % for a fraction of a year; on deposits they pay 3 % per ann. On operations conducted between the banks 4 % is paid.

The *local* banks of Navarre are federated in *district* banks of which there are 5: Pamplona, Estella, Tudela, Aoiz and Tafalla. Above the district banks is the *provincial* bank of Navarre, with head quarters at Pamplona, founded with a capital of 500,000 pesetas.

The agricultural syndicates composing the *Federación agrícola Montañesa* (province of Santander) have all rural banks of the Raiffeisen system granting loans at 5 % per ann. In 1910 this Federation had 412,979 pesetas in savings deposits and the amount of its loans came to 482,009 pesetas.

There are other important groups of rural banks in the provinces of Zamora, Zaragoza, Logroño and Valladolid, for the most part of Raiffeisen type and in the provinces of Murcia, Albacete, and Granada of the Schulze Type. Amongst these latter one of the most important is the bank of Alhama de Murcia, which commenced operations in 1906 with a capital of 6,000 pesetas and had in 1908 loans to the amount of 54,285 pesetas and deposits to that of 73,471 pesetas.

(b) *Land Credit Co-operative Societies.*

There are in Spain only a very small number of co-operative societies of the *Landschaften* type. As an example we shall briefly describe that working at Tortosa (Province of Tarragona) under the name of the "Olive Branch Agricultural Syndicate".

This society, in order to obtain the funds required for credit advances to its members, issues mortgage bonds to bearer at 4 ½ %, payable at the end of every three months. The security of these bonds is the land pledged by the members in order to obtain the loans. In the deed of pledge of the land, indication must be made of the nominal capital in bonds, secured on mortgage in the case of each holding, which may never exceed half the estimated market price.

The society lends exclusively to members and the loans must only be used for one or more of the objects specified in the law of 1906 on syndicates.

Each member who has engaged a holding has a credit opened to him in current account at interest, at present 5 ½ %, that is 1 % more than the interest on the bonds. The maximum amount of this credit may not exceed half the market price of the holding as estimated by the Board. No operation in connection with these current accounts, whether credit or debit transactions, may be conducted for an amount of less than 25 pesetas.

The members may place money in current account with the syndicate; these amounts will bear interest equal to that the syndicate would pay if it borrowed from any Bank whatever. However, the Board of Manage-

ment may limit this right of the members, and decide not to accept for a time further deposits at interest and even to return those already received, if it is not able to invest them suitably.

The members who have engaged land receive the rent and administer the holdings, under the supervision of the Board. In case the member owes interest for more than a year and a half or an equivalent amount for expenditure, the Board undertakes the administration of the holdings engaged for its own account, until the sum is paid.

The members must recognise the preference rights of the syndicate in the case of their contracting any debt or obligation, so as to secure the rights of the syndicate to the revenue of the holdings engaged as well as to the produce from them in case of sales.

We have said that the bonds issued by the society are especially secured on land engaged. In order that this security may not be lost when a member withdraws all or part of his land engaged, a clause is inserted in the deed to the effect that the land in question ceases to form part of the capital contributed by the members of the syndicate and no longer secures a corresponding amount of the bonds. Deeds of this kind have no value or effect and cannot be registered unless accompanied by proof that the amount required for the extinction of the bonds was deposited in the Banco de España.

The reserve fund of the society is formed of the difference between the rate per cent collected on loans and the interest on bonds.

The "Olive Branch" agricultural syndicate was founded in 1913. We have no statistics of the work of the establishment nor of those of similar character, but we may say that its action has been very limited.

(c) *General Institutions Granting Credit to Co-operative Societies.*

Various general institutions encourage the constitution of co-operative credit banks by means of loans. The principal are the *Leo XIII People's Bank*, the *Banco de España* and the *Mortgage Bank*.

The first which extends its action over the whole country, has for its object the assistance of the agricultural or industrial working class by means of loans, encouraging the foundation of intermediary associations which guarantee the obligations contracted by the farmers or the industrial workmen. The action of the Bank extends to the whole country and, consequently, it would be difficult to exercise effectual supervision over all its business, as well as to establish the individual solvency of each borrower, this institution grants all its loans through the medium of intermediary societies or organizations. On the loans the Bank grants the associations an interest of between 4 and 5 % is paid. The society serving as intermediary is responsible for the repayment of the amounts lent to its members, as well as for the payment of the interest, and it must forward to the Bank, before the expiration of the period of the loan, a detailed report of its work. The Bank accepts as savings deposits the amounts the credit banks have at their disposal. These deposits, which may not exceed 5,000 pesetas nor

be withdrawn altogether or in part without 30 days' notice, bear interest at 3 % per ann.

The foundation capital of the *Leo XIII* Bank was 500,000 pesetas.

To give an idea of the increase of the business of this institution, we give below the amounts of loans and withdrawals since the foundation of the Bank up to 1913:

TABLE III. — *Operations of the Leo XIII Bank, from its Foundation up to 1913.*

Year	Loans Granted	Amounts Withdrawn	Amounts not Withdrawn at End of Year
	(Pesetas)	(Pesetas)	(Pesetas)
1905	34,383	4,012	30,571
1906	92,547	47,194	75,921
1907	157,455	110,811	122,567
1908	186,906	134,207	175,266
1909	297,925	234,331	238,859
1910	324,980	280,431	283,408
1911	411,000	317,650	376,737
1912	405,515	424,260	419,012
1913	628,854	453,842	594,023
Total . . .	2,600,765	2,006,738	

The customers of the Bank in the rural districts are 667 associations (syndicates and rural banks) all of them Catholic societies.

The *Banco de España* also grants collective loans to syndicates as rural banks at a rate of interest varying between 4 $\frac{1}{2}$ and 4 $\frac{3}{4}$ %. It may also open credits in current account on personal security for the syndicate but it is often impossible for them to avail themselves of this credit, if want of a guarantee.

The action of this bank in favour of the rural banks has been up to the present not very important. One of the causes contributing to make the agricultural associations hold aloof is that the notarial act which requires for the grant of the loans to these associations is excessively costly. As a remedy, the Agricultural Department has recently issued a Royal Order to the Governor of the Bank recommending the substitution of the notarial act required for the grant of loans to agricultural syndicates by unlimited joint and several liability by a certificate to the effect that

the managing committees have been authorized to grant loans, with indication of the number of members, their classification and the objects for which the loan is to be granted. The same Order lays it down that, when the loan is secured on pledge and there is also joint and several unlimited liability of the members of the agricultural syndicate, the interest is not to be fixed at more than 4 %. As this Order was only issued in 1914, its effects cannot yet be appreciated.

The third institution we have indicated above as an auxiliary of co-operative credit is the *Mortgage Bank*, formed with a capital of 50,000,000 pesetas. This establishment was at first started for the benefit of agriculture, but it afterwards increased its urban business to an extraordinary degree and its action in the rural field is of very little importance.

There are other establishments which, although less important, are, thanks to their loans, of real utility for the co-operative credit banks. Let us mention among these the savings banks and pawn establishments of Oviedo, Leon and Cáceres; the *Pósito de los cuatro Sexmos* and the Pedro Rascón Bank of Salamanca; the Central Syndicate of Agricultural Associations of Zaragoza, the Navarre Credit Institute; the Biscay Bank, the Santander Bank and a few others.

Let us finally mention that a Royal Decree of October 16th., 1914 granted the *pósitos* existing in one and the same province the right to unite in provincial federations for the purpose, amongst other business, of granting loans to the agricultural associations.

(To be continued).

UNITED STATES.

FARMERS' ELEVATORS IN THE NORTH CENTRAL STATES.

SOURCES:

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§ 1. METHODS OF MARKETING THE GRAIN CROP IN THE NORTH CENTRAL STATES.

Before beginning any account of the origin and growth of farmers' elevators it will be advisable to describe somewhat fully the methods employed in selling the grain crop of the North Central States. For the purpose we have in view an elaborate description of the credit machinery by means of which the various transactions are financed will not be necessary. It will be sufficient if we examine the transactions themselves, following step by step the process of transferring the grain from the farm to the great terminal markets from which it is distributed for consumption in the United States, or for exportation. It need only be noted that this process of 'moving the crop' can only be accomplished by means of credit, and that the necessary credit must be furnished, ultimately, by the banks. The banks furnish credit to the important elevator companies and to dealers and commission men, who are thus enabled to make advances to their local agents who in turn are able to buy the grain which the

farmer has to offer. Of all the parties concerned in the process, the farmer with least credit at his command is least able to wait, — a fact which, as we shall presently see, made it possible for the grain dealers to establish a monopoly and for a time dictate the price to be paid to the farmers for their grain, — this monopoly in turn leading as a natural result to co-operation among the farmers as a means of defence. It was in this way, in opposition to a monopoly which was felt to be intolerable, that the first farmer's elevator companies were formed.

In marketing grain in the North Central States the part played by the railway companies is of immense importance. Much of the grain produced, whether maize, wheat, barley, oats or rye, has to be shipped long distances by rail into the primary markets, such as Chicago, Minneapolis, St. Louis, Kansas City or Omaha. The price paid to the farmer at the point where he ships his grain is determined by the price in the primary market, and is equal to this latter price less the cost of transport to the primary market and a small selling commission. The farmer first hauls his grain from the farm to the nearest railway station. Here he may have the option of selling it to: (1) an independent dealer, (2) a 'line' company, or (3) a farmers' elevator company.

The independent dealer owns a single elevator (or at most a few elevators at neighbouring stations), and is independent in the sense that he is not connected with any of the large grain syndicates or 'line' companies as they are called. The line company has its headquarters in one of the primary markets and owns, or at least controls, a large number of elevators situated generally along one line of railway. In the primary market it owns a 'terminal' elevator in which the grain sent from the country elevators is stored in the event of its not being sold as soon as it reaches the market. This terminal elevator is generally also a public warehouses for grain, compelled by law to accept grain for storage up to the limit of its holding capacity from any person who may offer such grain.

The farmers' elevator company is an association of farmers owning a country elevator and engaged, like its competitors the independent dealer and the line company, in the business of buying grain from the farmers, storing it for a longer or shorter period and finally selling it in one of the primary markets. It differs from its competitors in being co-operative in character, though its legal status is usually that of an ordinary commercial company and almost invariably it is described as a 'farmers' company, not as a 'co-operative' company.

The buyers who represent the agencies just referred to, regulate their prices for the different kinds and grades of grain by the prices ruling on the nearest primary market. The grain, however, is not inspected by State inspectors, and therefore is not officially graded, until it reaches the primary market, so that each buyer in the country must depend upon his own judgment in determining the proper grade of the grain which the farmers have to sell. Where competition is keen, buyers are naturally inclined to allow the farmer the benefit of any doubt,

and the grain is graded somewhat leniently. Where there is little or no competition it will be graded much more strictly, and probably upon the whole somewhat lower than it should be.

When the grain has passed into the possession of the country elevators the next step is its concentration in the primary markets. The line elevator company sells in these markets through its own representative on the exchange. The independent dealer and the farmers' company sell through commission dealers, — the buyers in either case being the terminal elevator companies and the millers.

Two principal forms of contract to sell are used in Chicago and the other markets of the North Central States. The sales are distinguished as sales 'to arrive' and sales 'on track.' In selling 'to arrive' the country elevator agrees to deliver to the terminal elevator company a 'round lot' of grain (which may be any quantity from ten thousand to a hundred thousand bushels) within the fifteen days following the sale. To fill such a contract the grain is shipped out of the country elevator and each car-load as it reaches the market is turned over to the terminal elevator. Thus a single sale covers a large number of shipments. In sales made 'on track' the grain leaves the country elevator unsold and is offered on the exchange in car-load lots. When the grain is sold the seller hands the numbers of the cars to the buyer and orders the railway company to deliver the grain at the buyer's warehouse. The grain is unloaded under State supervision and weighed by a State official. On the basis of the official figures the seller makes out his bill and presents it to the buyer. If the sale has been made by a commission dealer on behalf of the country elevator an 'Account of Sales' is rendered by him in the following form :

Folio . . .

Duluth, Minn., 19 . .

Account Sales by

For Account of

Cat.	Initials	Contents	Date of Sale	Gross Weight	Dockage	Net Bushels	Price	Amount
		Grade Dockage						
		Freight, Inspection and Weighing.						
		Switching Trackage . .						
		Reinspection						
		Storage						
		Insurance						
		Commission						
		 Days Interest at per cent.						
		Net Proceeds						
		Advanced						
		Balance						

In the above account the item 'Advanced' refers to any sums advanced by the commission dealer to the country elevator company. The latter as a rule has comparatively little capital of its own and works very largely with funds advanced by its own bank or by the commission dealer in the primary market.

It has already been mentioned that grain arriving in the primary market is graded by State inspectors. The system of State inspection — a peculiarly American institution — was introduced in Illinois in 1871, and has been brought to a very high degree of efficiency in Chicago. Formerly all grain was inspected while in the cars at the station yards, but this method of 'track inspection' as it was called was unsatisfactory and was definitely abandoned some eight or ten years ago and substituted by 'office inspection.' By this method each car is sampled while in the station yard and the samples are carried at once to a special office where they are carefully examined and graded by a staff of trained inspectors. This indoor inspection, carried out under the most favourable conditions in a well-lighted and suitably warmed room, is completed with the utmost

despatch and gives excellent results. It fixes the grade at which every parcel of grain which reaches Chicago shall be sold on the exchange. A trader who is dissatisfied with the grade assigned to his grain may ask for a reinspection; and if dissatisfied with the result of a reinspection may appeal to a Committee of three members, whose decision is final.

Returning to the question of the forms of contract to sell that are used in the primary markets, it must be observed that a certain amount of grain is not offered for sale upon its arrival but passes into one or other of the public elevators and is stored there in the expectation of a rise in prices. When the market is considered favourable this grain is offered on the exchange as grain 'in store'. This method of selling 'in store', however, is but little used in the United States where nearly all the grain is sold 'on track' or 'to arrive'.

The terminal elevator companies, who are the chief buyers in the primary markets, make their profits mainly from the storing and mixing of grain, and sell finally to the shippers and exporters who supply the Eastern markets of the United States or sell to foreign countries. A terminal elevator company may hold the grain it has bought and, when a favourable opportunity offers, sell it at a profit without in any way altering the quality; but as a rule it mixes, and where necessary, dries and cleans the grain in store in such a way that when inspected on being sold out of the elevator it will grade higher than when bought by the company. Mixing different qualities of grain for the purpose of raising the grade and so making an additional profit upon selling it, is a perfectly legitimate process, but is at the same time one which in the interests of honest trading calls for regulation. Obvious abuses are prevented by imposing certain restrictions upon mixing. Stored grain, that is grain which is in the keeping of a public elevator company but does not belong to it, may not be mixed with other grain except with the authority of the owner of such grain; and both before and after mixing it must be kept in separate bins so as to preserve its identity. Under severe penalties an elevator company is prohibited from mixing grain which does not belong to it with the object of making a profit for itself, but there is a great deal of mixing done with the grain bought by the companies for resale, and it is defended as being in the long run profitable to the farmers. The elevator company, it is contended, is willing to buy from the farmer grain which for any reason is so inferior as to be unclassified, and to pay a fair price for such grain knowing that by judicious mixing it can be turned into a marketable product. If mixing did not take place, all inferior or damaged grain — what is called 'no grade' grain — would of necessity remain unsold in the hands of the farmer.

So far the selling process has been traced to the concentration of the grain in the primary markets. The next group of persons concerned in the process of distribution is made up of the dealers in the seaboard markets of the United States. They buy the grain from the terminal elevator companies and sell it in the Eastern States to millers and grain merchants, or if they are exporters, offer it upon the great European markets

such as Liverpool, Antwerp and Hamburg. In addition to trading upon his own account a dealer in a seaboard market like New York or Philadelphia often acts as agent for shippers in the primary markets.

The seaboard dealer who sells for export, in calculating the price which he can sell, has to take into account a great many factors, — the cost of the grain at the seaboard, the rate of exchange, the cost of ocean freight and insurance, interest, broker's commission and his own profit. Some of these factors are subject to sudden, and often to very wide fluctuations. The legitimate grain dealer does not speculate upon these fluctuations. His object is to make a fair and, if possible, a regular profit upon his sales, and he combines his transactions in such a way that he is insured against the risk of any fluctuation occurring after he has entered into a contract. In fact, not only the exporter but every dealer in grain, whether at the small country stations, in the primary markets, or in the seaboard towns, covers his transactions by a species of insurance, and it is only because dealers are thus able to contract out of certain risks that they are able to buy and sell huge quantities of grain with security. The risks are borne by a special group of persons whose profession is the acceptance of such risks, and the legitimate grain dealers are thus left free to devote their specialised knowledge and their capital to the problem of distributing each year's crop of grain.

We have now to examine the circumstances under which a number of large companies established and for a number of years maintained a monopoly of the trade.

§ 2. THE MONOPOLY OF THE LINE ELEVATOR COMPANIES.

Until some time after 1870, farmers in the North Central States appear to have been satisfied with the treatment they received from dealers in the matter of prices for grain. They complained, it is true, that the high freight rates charged by the railway companies unduly diminished the prices established in the primary markets; but among any group of farmers anywhere in the United States a grievance against the nearest railway company may be regarded as not only chronic, but incurable. Amongst the buyers in each district competition was keen, and the farmer who hauled his grain to the railway station had only to wait until each dealer had bid for the grain and then sell to the highest bidder. Some of the dealers owned elevators where they could store the grain they bought; others had no facilities for storing and loaded the grain straight from the farmer's wagon into the railway freight car. A dealer of the latter type was known as a 'track buyer', or in the language of the trade, a 'scooper'.

But while this system of free competition benefited the farmer it proved disastrous to many of the grain dealers, who in their own defence formed grain dealer's associations which, within a few years of their formation, had gained effective control of the trade.

The dealers had certain legitimate grievances. They sometimes suffered heavy losses through dishonest commission sellers in the primary markets. They were at times cheated by weighmasters in the same markets; and they lost each season an appreciable quantity of grain on account of leaky and badly constructed cars which lost or wasted the grain in transit. The grain dealers' associations by employing their own agents and inspectors were able to effect various improvements in the organisation of their business, and in particular secured valuable concessions from the railway companies with respect to the carrying service furnished and the rates charged. The net result was to eliminate much of the speculative element from the trade.

Had the dealers' associations confined their activities to effecting economies in the business of selling grain, there could have been no possible objection to the policy of combination. But they began soon to adopt very different methods of promoting the interests of their members. The regular dealers had always been hostile to the track buyer, and they now determined to crush him. The associations first passed resolutions binding their members to refuse to deal with any commission firm that accepted business from track buyers. Commission men, naturally, at once stopped selling for track buyers, whose business was at any time an uncertain quantity, many such buyers entering the market only when profits were exceptionally high. In addition, the associations attacked the track buyer through the railway companies, inducing the latter to make a rule to the effect that cars would only be supplied to those shippers who, when making application for the cars, could show that the grain was actually awaiting shipment at some point on the railway line. As the track buyer had no place in which to store grain it was thus made practically impossible for him to obtain cars. He had been accustomed to ordering the cars first and buying the grain afterwards.

The associations having practically crushed all outside competition found it a comparatively easy matter to restrict competition among their own members in such a way as to ensure to each member a reasonable profit after paying all expenses; and when this point had been reached it was realised by certain elevator owners and capitalists that the grain trade offered an exceptional field for the formation of strong controlling syndicates. Between 1887 and 1890 the trade passed almost entirely into the hands of a small number of syndicates, each of which controlled the trade along one line of railway. As a rule the grain syndicate was represented upon the board of directors of the railway and this system of 'interlocking directorates' gave the syndicate a virtual monopoly of the business of buying and selling grain within the whole of the territory served by the railway line. Moreover, the promoters and largest shareholders in the grain syndicates were owners of public warehouses in the primary markets. When it was necessary to store grain, the syndicate as grain dealer would be paying storage charges to itself as warehouse proprietor, and as warehouse proprietor would be charging storage to its competitors in the grain business. It is asserted that by 1890 or shortly afterwards real public

warehouses no longer existed in Chicago. All the elevators were owned or controlled by the line companies.

When these companies had secure control of grain buying in the country, the position alike of the farmer and of any grain dealer who attempted to act independently soon became intolerable. We have seen how the grain dealers' associations prepared the way for monopoly by limiting competition among their members. With the advent of the line companies the associations ceased to be in any sense associations of independent dealers and became simply the representatives of the line companies. Only 'regular' dealers, that is to say those who worked in harmony with the line companies, were admitted into the associations: 'irregular' dealers, who preferred their own methods of doing business to the methods dictated by the syndicates, were boycotted by the commissions dealers, harassed and opposed in every possible manner until either they were driven out of business or, to avoid financial ruin, became 'regular.' Some of the line companies controlled as many as six hundred country elevators, so that it is easy to understand how they were able to manipulate the grain dealers' associations.

The methods resorted to by the associations were clearly stated in the case *State of Nebraska v. Omaha Elevator Company* (1). The evidence presented on behalf of the State established the fact that the Nebraska Grain Dealers' Association on April 1st, 1905, had a membership of seven hundred, and that another two hundred dealers, although not members of the Association, were working in harmony with it. Out of some twelve hundred dealers in the State, the Associations thus controlled nine hundred. The main objects of the Association were 'to fix, regulate and control the price of grain in the State; to put an end to competition in the grain business; and to drive out of business all irregular and independent dealers in grain' (2).

To achieve these objects the following expedients were adopted. In the first place a price committee of five members was appointed which fixed the prices to be paid for grain throughout the State by members of the association and dealers working in harmony with them. All these persons were from time to time notified by card of the prices established by the committee, and all buyers in the same locality were required by the rules of the Association to make the same offers for grain. The list of prices was changed as often as the fluctuations of the market made it necessary.

When a dealer at any buying point refused to adhere to the price list of the Association he was summarily dealt with. If he was known to be the possessor of a comparatively small capital, the regular dealers, financed for the purpose by their Association, outbid him in their offers to the farmers; that is to say, for a time they paid the farmers at that point more than their grain was really worth, so that the independent dealer could secure no trade and was soon driven out of business or forced to surrender. As a rule

(1) 75 Nebraska, 653.

(2) From the report of the referee in *State of Nebraska v. Omaha Elevator Company*.

he followed the scriptural injunction and agreed with his adversary quickly. Where, on the other hand, the would-be independent buyer was strong financially, the Association made no attempt to raise prices against him. They attacked him through the dealers in the primary market where he sold, who would be prevailed upon to offer him less than the ruling price for his grain, thus compelling him to sell at a loss. In this way all opposition to the line companies and the Association was speedily crushed.

It is interesting to note that by the rules of the Nebraska Grain Dealers' Association the members of the price committee were to be appointed from the five leading companies within the Association. Thus all the smaller line companies, all the individual dealers and, lastly, all the farmers who toiled year by year to produce the grain, were exploited in the interests of a few gigantic companies.

The position in other States was practically the same as in Nebraska. Before 1900, and in many districts as early as 1890, the Associations had secured a complete monopoly. They not only fixed the prices to be paid but determined the amount of grain that each member was entitled to buy. Those who exceeded the amount allotted to them were fined by the association in proportion to the excess amount acquired, and the amount collected in fines was distributed among the members who had secured less than their allotted amount. There was, therefore, no reason why any dealer should show himself specially active in securing grain at the buying points. The farmer who, under these conditions, hauled his grain to the railway found all the dealers at the shipping point quite indifferent as to the ultimate destination of the grain he had to sell. Each offered the same price as all the others. The farmer could accept the price or haul the grain back to the farm.

When engaged in building up their monopoly the line companies had begun in each locality by offering high prices, and had done their best to persuade the farmers that it was to their own interest to deal with powerful companies, as such companies were able to work much more economically than small firms. When once the monopoly was established the farmers found that the high prices were but a temporary phenomenon, and that, whatever economies might be effected by large scale dealing, they did not reap any of the benefit. As we shall now see, the lesson which the farmers thus learnt soon bore fruit.

§ 3. THE RISE OF THE FARMERS' ELEVATORS.

Under the conditions which have just been described the first farmers' elevators were formed. The farmers in the village of Rockwell, Iowa, were the pioneers of the movement (1) and formed a farmers' company in 1888.

(1) A number of farmers' elevators had been formed at various points in the North Central States at a considerably earlier date. But their history had been brief and inglorious. As Sell, writing in the *Journal of Political Economy* says: "As a result of mismanagement and other difficulties practically all of them failed after but a few stormy years of operation." The Rockwell company was certainly the pioneer company of the present movement.

at 1890, but for some reason their example was not followed by farmers in other districts till 1900, when two more elevator companies were formed.

The members of the Rockwell company introduced into their bye-laws a clause upon which it may be said that the success of the whole of the co-operative movement in the grain trade is founded. This is what is generally called the 'penalty clause' and it enacted simply that each member should pay into the funds of the company a commission of one-half cent per bushel upon all the grain he sold, whether sold to his own company or to a competing elevator. The effect of this clause which it would be more accurate to describe as a 'protection' clause, is evident. The half cent which the farmers pay when they sell through their own company represents the estimated cost to the company of storing the grain and negotiating its sale. The company receives this commission whether it handles the grain itself or allows the member to sell to a competing company, so that it cannot be driven out of business by its competitors offering high prices. The higher the prices they offer the less profit they will have for themselves, and in the meantime the high prices they are paying are helping to support the farmers' elevator.

The 'penalty clause' was the weapon with which the Rockwell farmers fought and defeated the monopoly. The line companies and the grain dealers' associations tried by every device known to them to drive the farmers company out of business, but the members of the latter proved determined and resourceful, and the line companies finally gave up the struggle. Like most beaten combatants they tried to minimise the importance of the fight and made light of the farmers' victory. But in the course of time farmers in other localities heard of the successful stand that had been made against monopoly, learnt the methods of the Rockwell farmers, and began to follow their example. By 1903, more than twenty farmers' elevators had been formed. A year later, although the movement was confined to the states of Iowa and Illinois, there were one hundred and twenty in operation. The monopolists, seeing their position seriously threatened, did all in their power to impede the spread of the movement. They were particularly active in circulating news of mismanagement and failure among the farmers' elevators. They tried to persuade merchants of all kinds to oppose the farmers, assuring them that co-operative elevator companies would not long confine their activities to dealing in grain but would become competitors of the merchants in every line of business. They compelled the commission dealers to boycott the farmers, and by this last method they almost succeeded in driving the farmers out of business, — almost, but not quite, for even at the worst moment when the farmers' companies were boycotted on every side, there were two commission firms in Chicago that continued to do business for them.

The natural resentment felt by the commission dealers to the interference of the line companies with the business of selling grain in the primary markets, led inevitably to a reaction of opinion in favour of the farmers. The commission dealers found their own field of operations curtailed, and so that a monopoly of the grain trade at any stage threatened their own

interests. In this frame of mind they began to lend their active support to the spread of the farmers' elevator movement. The existing elevator companies soon found that if they were to command respect they must establish a central organisation of some kind, and in 1903 the Illinois Farmers Grain Dealers' Association was organised at Springfield by the fifteen farmers' companies of the State. The following year the Iowa State Association was formed at Rockwell with some twenty members. These associations, supported by the commission dealers who had been boycotted by the line companies, immediately began an active campaign for the extension of the co-operative movement,—helping weak companies founding new ones and instructing the farmers in the methods of organising a company.

The success of the movement soon exceeded the expectations of its most sanguine supporters. The Illinois Association, which in 1903 consisted of a few companies whose commercial success was doubtful, had grown by 1905 into a union of 125 prosperous companies. Progress had also been rapid in Iowa, where, in 1905, there were at least 78 farmers' elevator in operation. The associations greatly facilitated the work of organising the local companies. They obtained concessions for sites for the erection of elevators from the railway companies,—in one case at least after a long fight in the courts. The actual organisation of a company when undertaken by an association was completed in a few months, whereas formerly it had taken the farmers a year, and in many cases as long as two years, to overcome the initial difficulties of forming a company.

The annual meetings of the state associations did much to help the spread of the movement. These meetings, which generally lasted two or three days, were attended by delegates from all the farmers' companies in the state who were thus able to compare their experiences, help and advise one another and perfect their plans for the coming year.

As soon as the farmers realised that they could compete successfully with the regular dealers and the gigantic companies the growth of the co-operative movement was rapid. It spread from Iowa and Illinois into Minnesota, Kansas, South Dakota, North Dakota, Wisconsin and Indiana, and at the present time all these states except Wisconsin and Indiana have their own associations of farmers' elevator companies.

The growth of the movement in the various states is shown in the following table (1).

(1) From the *Journal of Political Economy*, December, 1904. The figures, collected from the published reports of the annual meetings of the State associations, are in some cases approximate only. It is probable that the number of elevators has been underestimated rather than overestimated in the table, owing to the fact that where it has not been possible to obtain the figures for any particular year the latest figures available have been repeated. From *Co-operation in Agriculture* gives the number of farmers' elevators in the United States in 1904 as follows: Iowa 127, North Dakota 115, Minnesota 266, Illinois 235, South Dakota 193, Nebraska 193, Kansas 126, Wisconsin 38, Oklahoma 33, Indiana 24, all other States 87.

Farmers' Elevators in the North Central States, 1903-1913.

	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913
Illinois	15	90	125	125	150	170	170	225	300	300	300
Iowa	7	30	78	175	200	209	250	300	324	347	347
Minnesota	—	—	—	150	168	178	205	224	240	277	307
North Dakota	—	—	—	85	85	85	85	85	300	350	350
South Dakota	—	—	—	100	100	100	150	200	200	220	220
Nebraska	—	—	—	—	—	140	160	200	200	200	200
Kansas	—	—	—	—	—	—	—	—	—	—	32
Total	22	120	203	635	703	882	1,020	1,234	1,564	1,604	1,756

The work of consolidation did not stop with the formation of state associations and the holding of an annual state convention. In 1911, after various informal meetings, the National Managers Association of Farmers' Co-operative Companies was organised at Chicago. The following year the National Council of Farmers' Co-operative Associations was formed at Minneapolis. This Council has already lent valuable help to the whole movement. It consists of delegates from all the state associations, and is occupied largely with providing expert legal advice to farmers' companies and with watching carefully over legislation both in Congress and in the state legislatures.

§ 4. THE FARMERS' ELEVATOR COMPANY AS A BUSINESS ORGANISATION.

It remains for us to examine a little more closely the internal organisation of a farmers' elevator company.

Such a company is usually registered under the ordinary company laws of its own state. It is sometimes described as a co-operative company and occasionally the word 'Co-operative' forms part of the registered title. The capital is ordinarily about \$10,000, but may be as low as \$2,500 and is sometimes as high as \$20,000. Shares are issued, generally of a nominal value of 25 or 50 dollars. The number of shares which may be held by any one person is usually limited; or the number of votes to which a member becomes entitled is limited without regard to the number of shares he may hold. Very often each shareholder has one vote only. As a rule, shares either are not transferable or their transfer is in each case subject to the approval of the board

of directors. The history of a number of farmers' companies has proved the need for such restrictions. In some cases in the past the line companies by the simple process of buying up a majority of the stock issued, obtained control of the farmers' company. In one well-known case, which gave rise to an important legal decision, a shareholder in a certain farmers' elevator company demanded leave to examine the company's books. It was during the period when the boycott was at its height and the company was able to do business only by keeping secret the names of the commission firms with which it dealt. It was known that the shareholder in question was acting for the opponents of the company; and leave to examine the books was refused. The shareholder brought an action, but the courts upheld the right of the directors to refuse to reveal the affairs of the company to a competitor.

The business of the farmers' company is conducted by a manager who is an expert grain buyer. The company buys the grain at a fair price, and when competition is keen pays the farmers the primary market price less the cost of freight, and assesses the cost of working against the members in proportion to the amount of their dealings with the company, in this way forcing its competitors to do business without making any profit.

Since the farmers' companies are usually recognised under the ordinary company law the shareholders are entitled to participate, in proportion to their holdings of shares, in any profits earned. In the majority of farmers' elevator companies therefore, profits are distributed as in an ordinary commercial company. Some few states however, have passed special laws dealing with co-operative societies, and a number of farmers' companies, availing themselves of these laws, distribute their profits on the co-operative principle. In these cases a definite rate of interest is paid upon share capital, and that part of the net earnings which remains is distributed among the patrons in proportion to the amount of business they have transacted with the company during the year; and since a farmers' elevator does not usually confine itself to dealing in grain but sells other commodities as well, the basis upon which profits are distributed is the money value of the patron's business, taking into account both purchases and sales.

The principal business of the farmers' elevators consists in the buying and selling of grain, but incidentally they do a very considerable business in supplying their members with coal and timber, bricks and drainage tiles, and even with farm machinery, binder twine and oil. About ninety per cent. of the farmers' elevators sell coal to their members, who effect a saving of from 50 cents to a dollar per ton by purchasing through their own company. In the coal business the farmers met with much the same kind of opposition as they had already encountered in the grain trade; but when they began to buy and sell coal they already possessed in their elevator companies an established organisation; they had a considerable capital at their disposal; and they had learnt much from their fight with the line companies. The wholesale dealers in coal attempted to boycott the farmers' companies, but they were never very successful.

and the farmers won their second fight against established interests with comparative ease.

A number of farmers' companies, in addition to handling grain, act as livestock selling associations. They collect at regular intervals all the stock which their members have ready for sale, earmark and weigh each animal, and make up full car-loads for the central markets. Professor Hibbard of Wisconsin University estimates that one-eighth of the farmers' elevator companies in Iowa undertake the sale of livestock for their members.

In each branch of business, whether buying or selling, the aim of these companies is to give the highest possible return to the patrons. There is a certain element of danger in the fact that most of them are registered as ordinary companies. The interest of the shareholders is to keep the margin of profit at least fairly high so as to ensure the payment of a dividend upon shares. The interest of the patrons is to keep profits down to a minimum. Unless the interests of both coincide, a company is to a certain extent in a state of unstable equilibrium. Patrons are generally — though not always, and not necessarily — also shareholders, and in practice these companies work smoothly enough. It is recognised, however, that whenever possible a farmers' company should be definitely organised as a co-operative company. Unfortunately it is only in very recent years that special legislation dealing with co-operative societies has been passed in any of the states, and it is hardly to be expected that a farmers' company, organised before the appearance of such legislation and working satisfactorily as a commercial company, should undertake the difficult task of organising as a co-operative association.

Part II: Insurance and Thrift

AUSTRIA.

PRESENT POSITION OF LIVESTOCK INSURANCE.

The objection is often brought against the assumption of economic functions by the State or other public bodies that the public administration, save in rare instances, does not succeed in satisfying the economic requirements of the population as well as private action, since it is bound by numerous conventions and generally unable to meet the variable requirements of economic life with the same rapidity as the more independent and more adaptable private undertakings; this objection has been often made against State intervention in the field of insurance.

However, many practical examples exist to show that the public insurance institutes can work successfully and are alone in a position to solve certain serious problems of social politics, because they are unhampered as far as is possible, by the general systems of bureaucratic administration and consequently enjoy the necessary freedom of action.

And especially in the field of agricultural insurance have the public insurance institutes of several States a highly important function.

In Austria livestock insurance is almost entirely undertaken by public institutions, except in the cases in which it is entrusted to the local livestock insurance societies, now antiquated and unable to realise important results.

A very important account of the position of livestock insurance in Austria, based on the statistics of the year 1913, is to be found in a report of the Provincial Administration of Lower Austria laid before the Diet of that province (1).

(1) "Report of the Provincial Administration of the Archduchy of Austria below the Enns on the Studies made with regard to Livestock Insurance" — 6^o 2^e Schedule attached to the Report of the Provincial Diet of the Archduchy of Austria below the Enns, Vth. Parliament, Vth. Session, Presented and Approved on June 24th, 1914.

From this report drawn up by one of those best acquainted with the subject of livestock insurance in Austria, the Deputy Manager of the Viennese Institute for Livestock Insurance in Lower Austria, Victor Schromm, the greater part of the information given in this article is derived. We have at the same time availed ourselves of the annual reports of the several provincial institutes published later, so as to make our study as complete as possible.

§ 1. STATE ASSISTED LIVESTOCK INSURANCE IN AUSTRIA.

In Austria for some years public livestock insurance has been making notable progress, especially as a result of the subventions that have been granted since 1910 to insurance institutes founded in the different provinces of the State.

In accordance with the law of December 30th., 1909 (R. G. Bl., No. 222), a fund has been formed for the encouragement of livestock rearing and improvement, to which 6,000,000 crowns a year are assigned up to 1915 inclusive. Out of this fund important contributions are placed at the disposal of the various Provinces of the Empire for purposes of livestock insurance.

Without these grants of public money, livestock insurance would not be able to develop properly, since it would be too costly for many farmers. The assistance of the State is, indeed, also justified by the fact that this insurance liberates it from many other obligations. Were it not for it, the State would probably have to pay far larger sums in relief in cases of public calamity. The law of August 6th., 1909 (R. G. Bl., No. 177) on epidemic livestock diseases establishes the obligation of the State to give compensation in case of extraordinary losses of livestock, providing for Government subsidies in the case of animals dying from certain definite infectious diseases. Practically this compensation in the case of some diseases (especially tuberculosis) is only granted in an extraordinarily limited number of cases, and others (for example, symptomatic anthrax) only partial compensation is given. Since the provincial livestock insurance institutes also in these cases pay the regular compensation established, the State subsidy must be regarded as partly a compensation for the assumption by these institutes of duties that would otherwise be really incumbent on it. Further the livestock insurance institutes, by means of the measures they adopt in combating tuberculosis and for the improvement of the feeding and keep of livestock, contribute to attain the same ends as the Government institutions for the improvement of agriculture; therefore, even from this point of view, there is justification for a certain amount of State assistance.

The following table shows how the contributions from the fund for the encouragement of livestock rearing and improvement are distributed among the provinces of the Empire and the proportion assigned in 1912 to livestock insurance.

TABLE I. — *Distribution among the Provinces of the Empire of the Contributions out of the Fund for the Encouragement of Livestock Rearing and Improvement. Year 1912.*

Provinces	Horned Cattle, according to the Census of December 31st., 1910 serving as the Basis for the Distribution	Contribution Due to Each Province, according to the Number of Livestock	Proportions of the Contribution and of the Credit Balance from Previous Years, Assigned for Livestock Insurance	
	Number of Head	crs.	Total crs.	%
Lower Austria	609,309	332,656.53	100,000 —	3
Upper Austria	552,877	301,795.08	30,000 —	10
Salzburg	128,618	70,207.81	2,000 —	3
Styria	683,443	373,066.22	152,489.37	41
Carinthia	222,383	121,390.65	12,000 —	10
Carniola	226,977	123,808.35	—	—
Tyrol	412,667	225,259.63	50,000 —	22
Vorarlberg	58,592	31,983.21	33,854.14	106
Friest and Territory	3,129	1,708.01	83.15	5
Goritz and Gradiska	75,399	40,932.64	—	—
Istria	60,490	33,019.26	6,000 —	18
Dalmatia	104,716	57,160.59	—	—
Bohemia	2,290,587	1,250,319.56	353,182.39	28
Moravia	801,178	437,437.56	50,000 —	11
Silesia	196,526	107,330.86	—	—
Galicia	2,505,012	1,367,429.84	162,177 —	12
Storovina	227,906	124,495.45	8,000 —	6
Total		5,000,000 —	959,786.05	—

These amounts for livestock insurance must be considered rather high in proportion to the total amount assigned for the encouragement of agriculture when we remember that in the Estimates for 1913 altogether 30,000,000 crs. were assigned for the purpose, especially when we consider that the amount of 29,000,000 crs. must be reckoned rather small as the agricultural population (13,836,074 on December 31st., 1900) is 48.4 % of the entire population of Austria.

With this financial support livestock insurance in Austria has developed with extreme rapidity in recent years: the institutes already existing

have made considerable progress and in a certain number of provinces new ones have been founded. On page 33 of the above report of the I. R. Minister of Agriculture, the hope perhaps somewhat too optimistic, is even expressed, "that at the end of the period fixed for the Law of December 30th., 1909, for the contribution of the State to the above fund, every district of the nation will possess its own institutes for livestock insurance".

§ 2. PUBLIC INSURANCE OF LIVESTOCK IN LOWER AUSTRIA, CARINTHIA,
MORAVIA, UPPER AUSTRIA AND THE TYROL.

It is impossible to give a complete account of Austrian livestock insurance, because, among the annual reports and returns at our disposal, published in the most various languages, there is no statistical return nor any exact account of the provincial insurance institutes.

We shall here chiefly follow the above mentioned report of the Provincial Administration of Lower Austria, which in the first place deals at length with the livestock insurance institutes of Lower Austria, Carinthia, Moravia, Upper Austria and Tyrol and then with the institutes that have arisen in other provinces, partly in consequence of the fund assigned for the encouragement of livestock rearing and improvement.

Table II reproduced from the above report gives information in regard to the present situation of the five insurance institutes above mentioned. Table III gives a very instructive view of the financial position of the provincial livestock institutes of Lower Austria, Carinthia, Moravia, Upper Austria and Tyrol.

Moravia, Upper Austria and Tyrol.

Provincial Livestock Insurance Institute of	Year of Foundation	Working Year	Business Situation		Total Numbers of Head of Horned Cattle according to Census of 31-12-1912	Percentage of Horned Cattle Insured	Provincial Horse Insurance Institute Existing	
			Members	Horned Cattle			from	Horses Insured
			Numbers	Head	cts.			
Lower Austria	1898	1911 12 1912 13	40,424 40,859	146,601 152,081	53,733,590 55,925,710	— —	1900	57,108
Carinthia	1899	1912 1913	6,274 7,711	26,557 39,278	8,800,050 10,879,220	11.95 —	— 1912	— 2,255
Moravia (1)	1900	1912	32,173	85,947	33,879,260	10.73	1912	11,762
Upper Austria	1902	1912	5,150	14,740	4,841,045	2.67	1906	7,315
Tyrol	1907	1912	16,215	73,321	29,166,690	17.76	—	—

(1) In the case of the Provincial Institute of Moravia it must be observed that at first most of the animals insured (horned cattle and horses) were insured with the Institute, while only a few were insured in local societies, which, in their turn, entered into arrangements with the Provincial Institute with the object of reducing their risks. In 1902, 23,312 head of livestock were insured directly and only 1,458 with the local associations. Gradually more and more animals were insured directly and the animals formerly directly insured were entered in their books. Still in 1907, 56,270 head of livestock were insured directly and 10,639 with the local associations. Already in 1910 the proportion was inverted, since for 10,210 head directly insured as much as 56,110 were insured in local societies. On June 30th, 1911, all the policy holders were registered with the local associations. The Institute consists of German and a Czech division, administered separately. Since 1911 there has existed a provincial league for the insurance of the horned cattle of the landowners, and another for the insurance of store cattle. Each of them has two divisions and they are registered with the Provincial Institute like the local associations.

TABLE III — Financial Situation of the Provincial Livestock Insurance Institutes of Lower Austria, Carinthia, Moravia, Upper Austria and Tyrol.

Provincial Institute	Working Year	Financial Situation (crs) of the Local Institutes				Financial Situation (crs) of the Local Associations				Ordinary Premium for not less than 40 Head	Average Supplementary Premium to Insured Associations	Total Premium	Amount of Salvation Government Treasury			Observations
		Credits	Debits	Credits	Debits	Credits	Debits	Per Head Insured crs.	Percentage of Assured Value							
Lower Austria	1912/13	3	4	5	6	7	8	9	10	11	12	13	14			
														Special Premium Rates for Insured Cattle of more than 600 crs. value.		
Carinthia	1911/12	26,557	24,894	—	17,866	14,405	1 — 3 classes of Risks Registered through the Associations 1.25 1.50 Provincial Ad- ministration		0.18	1.43	12,000	0.45	0.137	Facilities for Members who undertake not to with- draw for a period or from 5 to 10 years. Special pre- mium rates for Insured Cattle of more than 600 crs. value.		
														For all immediate insur- ance with addition of 25% of the value as- sured for working ex- penses. Special premium rates for Insured cattle of more than 600 crs. value.		

(1) The deficit is entirely covered by the association's funds. (2) Since the annual report does not show the total amounts of expenditure and of revenue of the individual local institutes, the difference between the income and the expenditure is shown as deficit.

These figures make clearly evident the defect common to all the Austrian livestock insurance societies, namely that they have fixed their ordinary premiums too low to cover the claims even of an ordinary year. The losses compel them to ask for supplementary premiums of no small amount (see column 9) and cause a reduction of their capital, and in some cases even the capital consists exclusively of debts to the Provinces.

The supplementary premiums are a source of serious discontent, since the owners of the livestock do not know their amount at the start, and are induced to leave the institute to insure elsewhere on more favourable terms. The losses are brought over from one year to another.

They, therefore, must increase in a period that may be foreseen to be brief to such an amount as to necessitate the adoption of a vigorous reform and a radical improvement of the various institutes. Already in 1910 the Lower Austria Insurance Institute, on account of its debts, had to be reformed; successfully as the following table shows:

TABLE IV. — *Financial Situation of the Lower Austria Provincial Livestock Insurance Institute, before and after its Reform.*

Date	Reserve Fund		Funds of the Associations of				Number of Associations	
	Credit	Debit	Small Livestock Farmers (1)		Large Livestock Farmers (1)		Credit	Debit
			Credit	Debit	Credit	Debit		
			crs.	crs.	crs.	crs.		
<i>Before the Reform of the Rules:</i>								
September 30th., 1908 . . .	114,592	—	55,421	165,153	—	20,840	357	563
September 30th., 1909 . . .	—	67,839	47,093	223,151	—	39,483	326	594
April 30th., 1910	—	124,726	23,733	251,040	—	55,064	270	630
<i>After the Reform</i>								
September 30th., 1910 . . .	30,315	—	63,242	119,791	—	25,581	420	483
September 30th., 1911 . . .	302,060	—	104,827	109,716	—	100,801	533	351
September 30th., 1912 . . .	379,464	—	135,178	94,517	1,348	18,524	591	315
September 30th., 1913 . . .	507,081	—	170,419	94,472	1,253	19,583	563	326

(1) It must be remembered in this connection that the Lower Austria Livestock Insurance Institute, on account of the difference in the risks, insures the livestock of small and large stock farmers separately, presenting thus a contrast, for example, with that of Moravia, in which the most cattle of the large farmers are insured on equal terms, as in the ordinary local associations.

It appears from the reports that a reform and an amendment of the rules has been proposed in the case of the Tyrol institute.

In any case a reform will be of the utmost benefit for the livestock insurance societies, the more so as the subventions out of the Government fund for the encouragement of livestock improvement will presumably cease with the year 1918.

In Table V we give statistics of losses and the results of the working year for the several provincial institutes.

The statistics of the working expenses of these institutes are given in Table VI.

PRESENT POSITION OF LIVESTOCK INSURANCE

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TABLE V. — Losses and Claims Paid by the Provincial Insurance Institute of Lower Austria, Carinthia, Moravia, Upper Austria and Tyrol.

Provincial Institute of	Working Year	Losses				Percentage of Losses Among the Horned Cattle Insured	Average Value per Head	Average Amount Paid per Loss				Proceeds of Sale of Carcase as Percentage of Value Assured	Compensation Paid	Assured	Percentage of Amount Assured Reinsured by Local Unions					
		Compulsory Slaughter		Death				Total	Amount Paid in Money	Crs.	%					Total	Crs.	%		
		Horned	Cattle	Horned	Cattle															
																			Insured	Insured
Lower Austria	1911-12	55,691	3,308	81.36	7.8	18.64	4,066	2.67	2.45	408.92	387.48	125.41	40.48	185.82	59.32	31.72	31.40	78	82	40
Carinthia	1911-12	56,557	51.2	65.73	2.67	34.27	779	2.03	2.90	325.00	331.30	94.70	30.78	162.67	63.32	257.37	20.13	79	28	50
Moravia	1912	85,947	2,250	88.52	2.03	17.48	2,852	2.07	3.04	413.20	374.05	163.81	46.46	187.21	53.54	340.72	39.33	85	89	50
Upper Austria	1911-12	14,740	425	80.10	3.2	16.80	477	3.24	3.17	327.92	328.43	103.04	39.92	135.47	60.08	258.11	31.42	79	79	50
Tyrol	1911-12	74,231	1,479	59.40	8.66	40.60	1,085	2.71	2.57	305.49	307.70	73.17	25.03	219.20	74.97	293.37	20.02	80	74	50

(1) Average for the last 7 years.

TABLE VI. — *Total Working Expenses of the Provincial Insurance Institutes of Lower Austria, Carinthia, Moravia, Upper Austria and the Tyrol.*

Provincial Institute	Working Year	Number of Head of Horned Cattle Insured	Expenditure in Crowns per Animal Insured				Total
			Expenses for Verification of Loss of the Officers of the Association	Expenses of the Veterinary Surgeons	Special (Local) Working Expenses	General (Central) Working and Other Expenses	
Lower Austria	1912-13	152,051	0.05	0.22	0.51	0.96	1.74
Carinthia	1911-12	26,557	0.10	0.20	0.59	0.75	(1) 1.64
Moravia	1912	85,917	0.10	0.49	0.48	(2) 1.61	2.68
Upper Austria	1911-12	14,740	0.17	0.21	0.48	1.58	2.47
Tyrol	1911-12	73,321	—	—	0.38	0.43	0.81

(1) In 1912-1913, 1.71 cts. — (2) It is reckoned that of the total working expenses of the whole Institute, indicated in the Annual Report as 1,700,000 cts., 1,200,000 cts. were covered by the State. The balance of 500,000 cts. was covered by the Institute's own resources. In 1912-1913, the Institute was in liquidation with that for horned cattle insurance, insuring 85,917 head; account was also taken of the other expenses indicated in connection with the horned cattle insurance division.

We see from this table that the working expenses of the provincial livestock insurance institute are comparatively very small.

This greater economy in the working expenses is a consequence of the organization being based on as great a decentralisation as possible. While the other institutes conduct, according to the information and reports received from the local associations, the whole work of management, in the Tyrol it is instead the officers of the local associations who perform most of it.

While, for example, in the other four institutes the claims were paid on the basis of the proposals of the management of the local associations, the Tyrol Institute had alone the right to verify losses in the case of claims already paid and eventually to refuse to pay its share of the amount re-insured when the rules had not been conformed to. A really extraordinary economy has been realised in the working expenses, as the intervention of the federal officers and veterinary surgeons for the verification of the losses is not necessary. (1)

On the other hand, the other provincial insurance institutes pay their experts commission (in Lower Austria 10 % of the premium) and give them allowances in the case of their investigation of losses and they also give the veterinary surgeons allowances for their intervention and the preparation of the reports of losses.

§ 3. LIVESTOCK INSURANCE IN OTHER PROVINCES.

Voralberg has the oldest provincial livestock association in Austria the *Viehversicherungs-Verein des Landes Vorarlberg* (Vorarlberg Livestock Insurance Association), of Feldkirch, Limited.

This institution, founded in 1887, had on October 31st., 1913, 3,019 members who had 156 horses (roughly speaking 5 % of the entire number of horses in the country, which was 3,243) and 9,768 head of horned cattle, 6 % of the entire number in Vorarlberg, which was 58,592. The value of the animals insured was declared at 74,315 crs. for the horses and 1,475,170 crs. for the horned cattle; the total amount of the annual premiums was 74,484 crs., the amount of the claims paid 96,163 crs. and the capital of the association at the end of the working year 1912-1913 was 5,344 crs.

On page 10 of the Report of the Provincial Administration of Lower Austria brief mention was made of the Reinsurance "Federation of the Czech Livestock Associations of the Province of Bohemia" (*Zapřstovaci svaz českých spolků pro vzájemné pojišťování vobíjka v Kralovství Českém*). At the end of the working year 1912, 118 associations adhered to this reinsurance federation with 15,992 members owning horned cattle of a value of

(1) The cashiers of the Tyrol associations receive small allowances in money for their work.

19,494,102 crs. - According to the 4th. Annual Report of 1913, the number of the associations adhering had increased to 420, the number of the members to 20,790 and that of the animals to 76,480, insured for an amount of 27,223,176 crs. The average value per animal insured had increased from 304 crs. in 1910 to 356 crs. in 1913.

Of course also the number of losses giving rise to claims had also very largely increased.

Year	Number of Losses	Percentage of Losses	Total Claims		Proceeds from Sale of Carcases		Direct Compensation
			Paid	Crs.	Percentage of Claims Paid		
1910	18	0.52	6,959.50	3,434.00	49.34		3,525.30
1911	527	1.74	185,949.30	83,261.54	44.80		102,587.76
1912	1,717	2.95	541,355.00	272,101.98	50.26		269,253.02
1913	1,803	2.36	606,212.00	324,464.54	53.47		281,747.46

The increased losses partly due to epidemic thrush and osteomalacia caused a correspondingly rapid increase in the amount of compensating paid directly by the Federation so that the amount of the premiums collected, together with the proceeds from sale of the carcases, far from sufficed to cover the losses. Already in 1912, in order to maintain an equilibrium, there had to be placed at the disposal of this association alone an amount of 172,532 crs. out of the portion of the fund for the encouragement of livestock improvement set aside for livestock insurance. (In the somewhat more satisfactory year 1913 the State subvention was 118,471 crs.).

At the same time the supplementary contributions asked for by the associations had increased to such an extent that they seemed to imperil the very existence of the associations themselves, for this reason the Reinsurance Federation decided to grant free loans up to an amount corresponding with that of their annual premiums to those associations excessively burdened with debt and to charge the Federation with the cost for the services of the veterinary surgeons up to an amount of 20 % of the annual premiums.

So the history of the Reinsurance Federation up to the present again shows the inadequacy of the premiums and the necessity of as large subventions as possible being granted for livestock insurance out of the public funds.

We have already spoken at length in this Bulletin of the Office for Insurance and Equalisation of Risks (*Versicherungs- und Prämienausgleich*)

stelle) founded in 1913 in the German section of the Agricultural Provincial Council (*Landeskulturrat*) for the Kingdom of Bohemia (1).

In 1913 was also founded the "Provincial Reinsurance Institute for the Local Horned Cattle Insurance Institutes of the Kingdom of Galicia, (*Landesrückversicherungs-Anstalt für die Rindviehversicherungs-Lokalvereine im Königreiche Galizien*). It was modelled on the Provincial Livestock Insurance Institute for Tyrol, but it makes complete provision for reinsurance.

Membership is open to all associations in Galicia that have been organized in accordance with the model rules and submit to the supervision and conform to the regulations of the Institute. On their constitution the associations receive a sum, of an amount not definitely stated in the Rules, for the purpose of paying the cost of their organisation.

Compensation is given to the amount of 70 % per head of horned cattle in case of death by accident or compulsory slaughter when the proceeds from the sale of the carcase are less than 30 % of the estimated value and 80 % in case of compulsory slaughter when they exceed 30 %.

The premium paid by the members is 1 %; an equivalent contribution must be placed at the disposal of the associations out of the public funds (in the first place out of the fund for livestock improvement already frequently mentioned) (2).

The associations must pay the Institute as reinsurance premiums a tenth of the premiums collected by them. The Institute in its turn is bound to provide for all those expenses the association is not in a position to meet out of the amount of the premiums it retains, including a contribution for working expenses of 0.25 % of the assured value, and half its reserve fund.

The association pays into its reserve fund :

The balance for the working year, the entrance fees amounting to 0.5 % of the value assured, collected on the insurance of each new animal, as well as eventual allowances out of Government funds.

If an association has to ask assistance in two successive years out of the funds of the Reinsurance Institute, the latter may ask a higher premium in the future.

If the reinsurance premium collected from the associations, together with half the reserve fund, made up of the balance for the working year and the contributions from the public funds, do not suffice to cover the losses the Insurance Institute has to bear, all the associations may be called on to pay supplementary insurance premiums.

The funds of the Reinsurance Institute are made up of the reinsurance premiums paid by the adherent associations, interest on the reserve fund and eventual subventions from the Provincial Administration, and, up to the

(1) See the number of this Bulletin for December, 1913, Kallbrunner, *Work of the German section of the Landeskulturrat of the Kingdom of Bohemia in the Department of Livestock Insurance*.

(2) In accordance with a provision of later date the grant of these contributions is limited to those associations founded before July 1st., 1914.

year 1918, of amounts granted out of the Fund for encouragement of the rearing and improvement of livestock.

In addition, the Provincial Administration charges itself with all the working expenses and two thirds of the compensation to experts for half yearly inspections and the verification of losses.

The Provincial Livestock Insurance Institute for Goritz and Gradiška (1) (*Landes Viehversicherungs-Anstalt für Görz und Gradiska*), founded on January 1st., 1908, collected in 1912-1913, 85,767.15 crs. in provisional premiums and 15,353.78 crs. in supplementary premiums and paid 136,227.01 crs. in claims. The deficit of 47,804.80 crs., brought forward from the previous year, increased to 56,228.71 crs. An advance of 42,476.48 crs. was made to the institute out of the funds of the Provincial Administration.

It is to be noted that up to September 30th., 1910 the territory in which the above Institute works was divided into three regions, and the federations of the separate districts united for reinsurance. The intention was in this way to combine similar conditions and perhaps similar risks. The regions were styled, according to their geographical position, plain, intermediate and mountain regions. It is not clear why this division was abandoned and all the federations (in 1913 there were 112) united in a single reinsurance federation.

In Salzburg, in the beginning of October, 1913 the constitution of a mutual horned cattle insurance association was decided upon, but the idea of a provincial livestock insurance institute was rejected for the moment.

In Silesia, in the session of the Diet of February 16th., 1912, it was decided to found a provincial livestock insurance institute and the rules for it were approved in June, 1914. It is now about to begin work. Although in all the Provinces the system of premiums fixed at too low a figure has proved unsatisfactory, the premiums were here fixed at 1 %.

In Styria, the obstruction of the Slovenes in the Diet has prevented the passing of a bill for the institution of a provincial livestock insurance institute.

In the Provinces of Croatia and Dalmatia no definite attempts have been as yet made for the foundation of a Provincial Livestock Insurance Institute: and the funds assigned by the State for the purpose have been employed for other objects.

(1) Report of the work of the Provincial Mutual Horned Cattle Insurance Institute for the period October 1st., 1912.-September 30th., 1912. Goritz, 1914.

Part III: Credit

SPAIN.

AGRICULTURAL CREDIT AND THE FEDERATIONS OF PÓSITOS.

SOURCES:

REAL DECRETO DE 16 DE OCTUBRE DE 1914, RECONOCIENDO A LOS PÓSITOS EXISTENTES Y A LOS QUE EN LO SUCESIVO PUEDAN CREARSE EL DERECHO DE FORMAR FEDERACIONES PROVINCIALES, CON OBJETO DE UNIFICAR E INTENSIFICAR SU ACCIÓN EN ORDEN AL EJERCICIO DEL CRÉDITO AGRÍCOLA Y EN BENEFICIO DE LOS AGRICULTORES (*Royal Decree of October 16th., 1914, recognising the Right of the Pósitos already existing and those to be formed in the Future to constitute Provincial Federations, with a view to Uniting and Intensifying their Action in regard to the Grant of Agricultural Credit and in behalf of the Farmers*). Published in the *Gaceta de Madrid*, No. of October 17th., 1914.

§ 1. INTRODUCTION.

When, on a former occasion, we examined the work of the Spanish Agricultural Credit Institutions in this Bulletin (1), we spoke at length of the *pósitos*, long established institutions peculiar to the peninsula, which, at first founded for purely charitable purposes, came to be, at the time of their full development, powerful rural credit institutions and among the most effectual auxiliaries of the small Spanish farmers.

After having shown the deplorable circumstances in which these establishments now find themselves, owing to various reasons due to their organization and administration, the principal provisions of the law of January 23rd., 1906 which aimed at reorganizing them by adapting them to modern conditions, the work of the Royal Delegation instituted by the above law, and its effects between 1910 and 1912, we pointed out the different tendencies existing in regard to the definite organization of the *pó-*

(1) See the Number of this Bulletin for June, 1914, pp. 73-80.

sitos in relation to the experience and the exigencies of modern times. And, already on that occasion, we dwelt especially on the tendency in favour of mobilising the uninvested funds of the *pósitos*. The promulgation of a Royal Decree of the Fomento Department now offers us an opportunity of returning to the subject. Before examining the provisions of this Decree, it will be well to give some account of the fluctuations in the capital of the *pósitos*.

The Royal Delegation of the *Pósitos* created by the law of 1909 above mentioned to enquire into the assets and landed property of these establishments, to collect the money due to them and to realise their securities, has made it possible for us to form an idea of their situation and the fluctuations in their capital. Thus, we see from the report of the Delegation for the year 1912, that the total capital of the *pósitos* increased in that year by 95,280,291 pesetas, from which we must deduct 53,474,939 pesetas for old debts, difficult to collect. The real capital in 1912 was therefore 41,805,352 pesetas. Now, in the same year, the loans granted amounted to 21,626,705 pesetas. The amount of the capital of the *pósitos*, therefore, exceeded that of the loans, and the balance remained uninvested (1).

The Senator Señor Gullón, for many years Royal Delegate, recently expressed himself as follows in the Senate, in regard to the matter of agricultural credit :

" Every year, about 22,000,000 pesetas are distributed among 120,000 farmers, through the medium of 3,250 establishments, of which, generally, those that work best and satisfy the largest number of requirements are those that have the smallest amount of capital, some putting their capital in circulation two or even three times a year. However, there are other *pósitos* that do not show the same activity in the accomplishment of their beneficent work, and do not exhibit the necessary zeal either in the settlement of acknowledged debts, or in the utilisation of their capital for serviceable loans; and we may thus say that, in certain years, from 5,000,000 to 10,000,000 pesetas, which might satisfy so many needs, remain undistributed."

In fact, since the promulgation of the law of 1906 it has been possible to return to the safes of the *pósitos* large amounts of money which it was thought could not be collected; new establishments of the kind have been created; subventions have been granted to those in need of them, as far as was possible, and, in fact, it has been attempted to disseminate them all over Spain as channels of agricultural credit (2). This active work has revealed the existence in one and the same region of *pósitos*, which

(1) It is necessary, however, to observe that the difference is not 20,000,000 pesetas as the above figures seem to show, for from the capital of the *pósitos* we must deduct not only debts difficult to collect, as we have said, but also the amounts in the hands of the debtors and representing the value of land belonging to the establishments. Indeed, the difference between the loans made and the available capital is not more than 8,000,000 pesetas of 10,000,000 pesetas, as will be shown hereafter.

(2) See the *Bulletin* above cited.

while they have considerable capital available, leave it unemployed as it is not applied for, and others which have invested all their funds and find their business arrested for want of money.

§ 2. THE ROYAL DECREE OF OCTOBER 16TH., 1914.

Desiring to encourage and in every way to promote agricultural credit, the Minister of Fomento, Señor Ugarte, has attempted to improve the situation, availing himself of the latest teachings of economy and sociology. As he has conceived the idea of associating the *pósitos*, and uniting their resources, in fact of federating them, so as through these centres of rural credit to satisfy the requirements of the farmers by transferring the excess invested or immobilised funds of a *pósito*, which has too much money, to another which is in want of it.

It is by these principles the Royal Decree of October 16th., 1914 is inspired.

Let us now examine its principal provisions.

First of all, the decree in question recognised the right of the *pósitos* existing and of those to be founded in the future to form provincial federations, for the unification and intensification of their action in regard to the grant of agricultural credit and in behalf of the farmers of the various localities in which the *pósitos* constituting the Federations are established.

According to the spirit of the Decree, such federation must be the voluntary work of the *pósitos* themselves. So its provisions only deal with the legal rules and juridical forms for the creation of the Federation.

1. *The Constitution of the Federations.* — The *pósitos* belonging to a provincial section, desirous of enjoying the rights and privileges thereof shall inform the *Jefatura* of the section to that effect, accompanying their application with a note explaining their situation and clearly indicating particulars of their invested capital.

To reach the object aimed at by the Federation, the funds of the *pósitos* lying idle in current accounts or deposited in the branches of the Banco España must be realised. This operation, as well as the transfer of the funds it renders possible, will imply no change in the ownership of the capital which will always belong to the *pósito* from which it is derived. It is, in fact, a matter of authorizing the *pósito*, the funds of which remain idle for want of applications for the grant of which it might be utilised, to lend the neighbouring *pósito* these funds, which will thus be more productively employed and extend the economic and financial activity of the Federation over a larger area. As, further, these loans bring in interest, the *pósito* will profit without loss of its capital, while the money will thus become fluid and circulate.

Add to this, that, in the end, for the *pósito* lending its uninvested capital, it is really only a matter of a change of debtor; instead of the small

landowner, the humble farmer or metayer, it is the *pósito* of the neighbourhood that must give security of solvency and becomes liable, to a greater extent, as the loan is granted by the *pósitos* possessing the money.

The deed of constitution of each federation shall include :

(a) Copy of the documents indicated and express ratification on the part of the members ;

(b) Statement of the objects the federation proposes to attain - by the establishment of the basis of solidarity between the federated members, by means of the loans the *pósitos* with available funds make out of their surplus uninvested capital to those in a different position, so as to give the capital productive fluidity by putting it in circulation and thus extending the advantages of the institution in regard to the grant of rural credit ;

(c) and to the effect that if in the region or province the *pósitos* which have formed a federation there are no agricultural syndicates or chambers, occupied with the purchase of selected seeds, manure, agricultural implements and utensils, and machinery of every kind, the purchase of these articles may be included among the objects of the Federation.

(d) authorization to admit into the Federation *pósitos* which shall hereafter apply for admission.

2. *Loans and Conditions for Loans.* — The operations of the Federation may be conducted at the request of the parties or on its own initiative.

The first system is followed when a federated *pósito* applies to the Federation, officially represented by the provincial section, for the grant of a loan. The section shall forward the application to the administrative commissions of the neighbouring *pósitos* belonging to the federation possessing surplus or uninvested capital for their examination ; they shall proceed to examine the application and shall report within a term of ten days. Once the application is accepted by the provincial section, if the majority of the reports are in favour of the grant of the loan, immediately the transfer of funds is made and the money and the resulting liabilities are distributed, at the charge and at the risk of the *pósito* borrowing. If the majority of the reports are not favourable, the application is refused.

The Federation proceeds on its own initiative when the provincial section and the members representing the federated *pósitos* consider the moment arrived for putting in circulation all or part of the uninvested capital. In this case, the Federation may grant loans out of its uninvested capital to syndicates, agricultural chambers, loan and savings banks, co-operative societies for production and other similar organizations, provided always that they are constituted in accordance with the laws regulating the working of these corporations or associations, and that, when applying for loans, they give the Federation proof of their solvency. For this purpose, it will be enough for them to be registered with the *Banco de España* and intend to use the money for purposes of agricultural credit.

The loans shall be granted for one year, and may be renewed for another year ; however, they may be cancelled if the guarantee ceases to be sub-

cient or is not renewed, or if the loan is used for purposes other than those for which it was requested.

The interest on the loans shall be 4 % a year and payable at the end of each half year; and if the loan is repaid before the expiration of the term, at the convenience of the association owing, the interest shall at least correspond with the term of the loan and shall in no case be less than that for one month. The 4 % interest shall be distributed as follows: 3 % to the *pósito* lending and 1 % to the Federation as its legitimate remuneration.

3. *General Provisions.* — In conformity with the instructions repeated on several occasions by the Royal Delegation, the administrative commissions of the *positos* have deposited, in the branches of the *Banco de España* and in name of the administrative corporation, those amounts which, owing to no applications being made, could not be brought into circulation during the year. If, at the date of the general settlement of accounts, each year, it is found that an amount of more than 15 % of the capital of a *pósito* remains uninvested, and has not been deposited in due time in the branch of the *Banco de España*, the administrators shall pay an amount corresponding with 4 % interest on the immobilised capital, out of their own private funds.

The provincial sections of the *positos* shall every three months make out a report in relation to the money deposited in the branch of the *Banco de España* and publish it in the *Boletín Oficial* of the province for the information of the federated *positos* that may be in need of funds for distribution under the form of loans among the peasants of the district in which they have their head quarters.

By the Decree in question the federated *positos* will have the preference over those not federated when grant is made of subventions or when increases of capital are conceded.

Finally, the Decree establishes that, the federal organisation of the *positos* once in operation, in accordance with the results obtained, the Royal Delegation shall propose the measures necessary for the endowment of the institutions with capital of their own, and thus establish regional agricultural credit institutes. This provision, evidently, is of great importance.

* * *

Thus then, all the provisions mentioned, and above all the last, clearly show the position taken by the Government in respect to the organisation of rural credit on the basis of suitably modernised *positos*. Doubtless the last word has still to be said on this difficult subject; the Decree itself indicates this, in its preliminary exposition of the motives by which it is inspired, where it says that the above measures are adopted "in anticipation of the arrival of the moment for submitting for the decision of Parliament those measures which of their nature require its approval", but there is no doubt that the Decree we are considering clearly traces the course the Gov-

ernment has marked out for reaching a solution of the problem of agricultural credit.

The provisions of the Decree need no comment. They show us that the Royal Delegation preserves its office of inspection and protection of the federations now being organized, although this duty is limited to seeing that the law is observed, so as to constitute a sort of supreme guarantee of all interests.

In addition to their economic business, the Federations of *pósitos* may also exert an important action, as educators of the Spanish rural classes, exhibiting practically, by their example, the advantages of co-operation and collective effort. In addition, if, within the limits of the *Banco de España*, which is the centre of the Spanish financial system, it has been possible to assist the agricultural syndicates, this establishment evidently could not refuse its support to the *pósitos* and still less to the organizations representing the Federation, seeing that they can offer it more extensive guarantees and assume an ampler liability. In this way rural credit will be more effectually encouraged.

RUSSIA.

WORK OF THE NOBLES' GOVERNMENT LAND BANK IN 1913.

The Nobles' Government Land Bank, with the origin and development of which we dealt in detail in the number of this Bulletin for September, 1914, has just published its annual report for the working year 1913.

It appears from this publication that in that year the Bank did quite an unusual amount of mortgage business. This business, which had been considerably reduced in consequence of the economic and political crisis Russia passed through in the early years of this century, recommenced most actively from the moment, when, after the Empire had been restored to tranquillity, there began the extraordinary development of land business of every kind due to the great land reform initiated in 1906 by the late Minister, P. A. Stolypin.

§ I. MORTGAGE BUSINESS.

The total number of mortgage loans granted by the Nobles' Bank which, at the most critical moment of the depression of which we have spoken, that is to say in 1907, had diminished to 280, gradually rose again, in turn to 518 in 1908, 786 in 1909, 1,248 in 1910, 1,355 in 1911, and at last to 1,486 in 1912.

The number of loans granted by the Bank for the year 1913, namely 1,425, shows indeed a slight decrease on that for 1912. But it is really only apparent; in fact, the slightly reduced number of transactions is amply compensated for by the considerable increase in the total amount of the loans. Indeed, this amount reached in 1913 the enormous sum of 146,082,000 roubles (in round numbers 390,000,000 frs.), that is to say it exceeded the corresponding sum for 1912 by 36,767,900 roubles, and the highest yet reached by the Bank since its foundation, 120,460,000 roubles in 1898, by nearly 26,000,000.

The following table will show the general progress of the mortgage business of the Bank in recent years more in detail:

TABLE I. — *Mortgage Business of the Nobles' Bank from 1908 to 1913 (in roubles).*

Years	Number of Loans	Deciastines of Land Mortgaged	Estimated Value of the Land Mortgaged		Amount of Loans Granted	
			Total	per Deciastine	Total	per Deciastine
1908	518	523,522	53,256,597	100	31,657,900	60
1909	786	825,325	85,105,288	103	49,701,600	60
1910	1,248	1,083,179	140,359,488	138	87,125,400	80
1911	1,355	1,101,685	152,166,685	138	88,842,600	81
1912	1,486	1,195,873	190,358,777	159	109,314,100	92
1913	1,425	1,536,636	253,726,195	165	146,082,000	95

As is seen from the table, the number of loans granted was smaller in 1913 than in 1912, but the area of the land mortgaged was on the contrary considerably greater. The considerable amount of the loans granted by the Bank is due, as we see, to the continuous and progressive increase in the average amount granted per deciastine mortgaged, which, in its turn, is a consequence of the average estimated value per deciastine. The rapid and regular rise of this latter average is incontestably the best evidence of the remarkable increase in the value of land in Russia, and consequently of the general increase in the well-being and economic prosperity of the immense Empire of the Czars.

Of the 1,425 loans granted by the Nobles' Bank in 1913, 477 for a total amount of 41,849,400 roubles were made on first mortgage of 486,418 deciastines. The other 948 loans of an amount of 104,232,600 roubles were granted on renewals of mortgages or on supplementary mortgages on 1,056,218 deciastines already mortgaged to the Bank.

The number of loans granted on mortgage based on the total value of the land, estimated in accordance with the average value of the land in the region, was only 75 in 1913 and represented a total amount of 1,431,500 roubles. All the other mortgages, or 95 % of the total number, were based on the special detailed valuation of the land in question. The amount of loans of this class was 99 % of the total amount granted in the year.

Apart from the special loans granted up to the amount of 75 % of the value of the land mortgaged to Russian landed gentry for the purchase of estates in the Polish provinces of the West, with which we shall deal hereafter, during the whole year 1913 no loans were granted for more than 60 % of the value of the land, except in 13 cases for a total amount of 2,181,700 roubles, representing 74.5 % of the value of the land mortgaged

(2,915,385 roubles); 99 % of all the loans granted by the Bank were made for the longest periods allowed by its rules (61 years 8 months and 66 years 6 months, according to the rate of interest); the renewals of mortgages were all for the maximum period allowed (66 years 6 months).

The total amount applied for by the 1,425 persons whose applications for loans were granted in 1913 was 173,174,667 roubles; in 658 cases the Bank was able to grant the whole amount applied for (59,810,700 roubles), in the 767 others it only granted 76 % of what was asked for (113,363,97 roubles requested; 81,271,300 roubles granted).

The average area of the landed estates mortgaged to the Bank on January 1st, 1913 was 514 deciatines; that of those newly mortgaged in the year was 1,007 deciatines. Most of the latter, or 58.1 %, belonged to the class of medium sized farms (from 100 to 1,000 deciatines of cultivated land), 23 % of them to small farms (with less than 100 deciatines cultivated), the rest, finally, or 18.9 % were large farms with more than 1,000 deciatines under cultivation. Of the *total area* of the landed estates mortgaged in 1913, 77.9 % belonged to large estates, 20.9 % to medium sized holdings and 1.2 % to small holdings. Ten of the landed estates mortgaged were more than 10,000 deciatines in area; the largest of them, in the province of Kiev, had a total area of more than 45,000 deciatines.

In 1913 renewals of mortgages were granted in the case of 984 landed estates of a total area of 1,056,218 deciatines and a total estimated value of 180,558,733 roubles. The total amount of loans granted in this way was 104,232,600 roubles, of which 59,365,100 roubles corresponded with the value of the original loans and the rest, 48,099,400 roubles, were additional loans granted at date of the renewal. The large amount of supplementary loans thus granted, generally only five years after the original loans, is explained by the considerable difference between the average estimated values of the holdings at the dates of the first and second valuation (64 roubles per deciatine at date of the valuation for the first mortgage and 173 roubles per deciatine at date of that made for the supplementary mortgage), and this difference, in its turn, is explained by the agricultural improvements introduced on the farms and the increase in the value of the latter owing to the construction of new railway lines in their vicinity, or on other analogous grounds.

In the whole year there were only 4 loans granted on terms of favour (that is to say, for an amount equal to 75 % of the value of the land mortgaged) for the purchase by Russian landed gentry of holdings in the west and southwest of the Polish provinces. The total area of the land thus acquired was 18,414 deciatines, its total estimated value was 1,380,457 roubles and the amount of the loans granted was 1,025,600 roubles. Since the commencement, in 1894, of operations of this kind, the Bank has in this way facilitated the transfer to Russian owners of altogether 219 landed estates previously Polish, of an area of 533,024 deciatines and a total estimated value of 32,216,921 roubles.

§ 2. LAND BUSINESS.

Of the total amount of 146,082,000 roubles lent by the Nobles' Bank in 1913, only 64,105,000 roubles were paid to the borrowers in the form of Bank bonds. The rest took the form of renewals of debts to the Bank for an amount of 56,133,200 roubles and amounts retained for the extinction of foreign or other mortgages, amounting altogether to 25,843,800 roubles.

The amount of the instalments towards extinction of their debts voluntarily paid by the borrowers to the Bank in 1913 was 12,586,055 roubles. These payments have completely liberated from mortgage debt 2,944 holdings of a total area of 313,393 deciatines, 148,323 deciatines remaining in the hands of owners belonging to the hereditary nobility and 165,070 deciatines having been transferred to owners not belonging to the nobility, whilst still mortgaged to the Nobles' Bank.

In the course of 1913, the total number of holdings mortgaged to the Nobles' Bank that had changed owners was 3,135. These holdings had a total area of 804,516 deciatines and were mortgaged for a total amount of 48,656,900 roubles, the mortgages being also transferred to the new owners. We give below a classification of the latter according to their social position :

TABLE II. — *Sale of Land Mortgaged to the Nobles' Bank in 1913*

Sold to:	Number of Holdings	Area in Deciatines	Amount of Mortgages- Transferred
Hereditary Nobles . .	739	406,123	21,788,600
Institutions	68	20,676	1,209,600
Peasants	1,983	248,219	15,994,600
Members of the Lower			
Middle Classes . . .	82	15,747	1,123,800
Merchants	60	31,248	2,731,600
Other Classes	203	82,503	5,898,700
Total	3,135	804,516	48,656,900

During the last six years the transfer to new owners of land mortgaged to the Bank assumed the following proportions :

TABLE III. — *Sale of Land Mortgaged to the Nobles' Bank, from 1908 to 1913.*

Sold to:	Thousands of Deciatines					
	1908	1909	1910	1911	1912	1913
Hereditary Nobles	338	323	457	460	508	496
Institutions	388	80	41	41	22	21
Peasants	341	371	434	380	275	248
Members of the Lower Middle Classes	16	19	21	28	20	16
Merchants	28	23	33	43	48	31
Other Classes of People	48	73	99	135	114	83
Total	1,199	899	1,085	1,094	487	805

The considerable amount of land that passed into the hands of Institutions in 1908 (338,000 deciatines) is explained by the fact that in that year the number and area of the holdings bought by the Peasants' Bank with its own funds to be sold on favourable terms to small farmers who had no land was especially large.

On January 1st., 1913, the total amount of arrears due to the Bank from borrowers was 17,811,976 roubles. In the year beginning on that date, the Bank should have received 41,036,778 roubles in mortgage payments, with 627,293 roubles special mortgage payments, or altogether 41,664,071 roubles. Really, it only received altogether 39,937,672 roubles, so that at the end of the year the arrears due had increased to 19,617,530 roubles. In these figures there is not included an amount of 7,208,990 roubles for annual payments due on mortgages transferred to the Peasants' Bank, and it is to be understood paid over in full by the latter institution to the Nobles' Bank.

In addition to the total amount of mortgages in course (791,824,253.77 roubles), with arrears (amounting to 19,617,530.49 roubles), on December 31st., 1913, there were also due to the Bank 143,031.74 roubles in debts not paying interest, 1,411,246.31 roubles in "special" debts and, finally, 11,380.15 roubles in mortgages the term for payment of which had been extended. The debts not paying interest and the special debts were reduced during the year by the repayment of a total amount of 304,063.63 roubles. As a result of the law of April 26th., 1906, the Peasants' Bank further owed the Nobles' Bank a total amount of 161,408,054.32 roubles (instead of 17,587,959.61 roubles, as at the beginning of the year).

The total number of mortgaged landed estates, the sale of which at public auction was ordered in 1913, on account of a delay of more than a year in the payment of the legal charges, was 5,452 or about 10 % of all those mortgaged to the Bank. This proportion is almost the same as in former years and, also just as in former years, it is in the Caucasus the

largest number of auction sales were ordered (for 35 % of the landed estates mortgaged in that region).

In 5,419 cases out of the 5,452 of which we have spoken, the sale was stopped, either by payments being made at the last moment, or by an extension of term or other facilities being granted by the Bank to the debtors in arrear. Only 33 landed estates were actually put up for auction, of which 28 were sold, and the remaining 5 remained in the possession of the Bank.

The total number of landed estates of which the Bank had possession was thus increased to 154, of which 122 were situated in the Caucasus. It managed to sell fourteen of them in the course of the year 1913, so that at the end of the year it had still 140 in its possession of a total area of 40,401 deciatines, 116 of them with an area of 28,298 deciatines, situated in the Caucasus.

§ 3. THE BANK FUNDS.

At the beginning of the year 1913 the Bank had the following funds:

1. A fund formed by various issues of *lettres de gage* of a total nominal value of 823,770,400 roubles ;

2. A fund of 74,942,097.72 roubles in bonds to be drawn for of the 1889 issue not yet redeemed ;

3. A reserve fund of 16,658,145.65 roubles.

In the course of the year new bonds for the amount of 89,947,900 roubles were issued (89,947,900 roubles in 4 ½ % bonds and 900 roubles in 5 % bonds). A total amount of 19,836,100 roubles had been repaid. At the end of the year the bonds of the Bank represented in all a total amount of 893,883,100 roubles, distributed as follows :

	roubles
3 ½ % bonds	392,350,500
4 % "	151,006,600
4 ½ % "	154,600,600
5 % "	154,105,400
5 % " to be drawn for	41,730,000
Total	893,883,100

During the year there was no change in the amount of the bonds of the 1889 issue, to be drawn for (74,942,097.72 roubles).

The reserve fund was reduced in 1913 by an amount of 10,000,000 roubles set aside, in accordance with the Imperial Decree of February 21st of that year, to constitute a special fund in remembrance of the three hundredth anniversary of the establishment of the Romanoff dynasty on the Russian throne; the annual interest on this amount is to be used to

crease the foundation capital of the Nobles' provincial mutual banks and other institutions of the same character, the object of which is to facilitate the mortgage business of the hereditary nobility. As a result of this measure and the years' business transactions, the reserve fund of the Bank was reduced on December 31st., 1913, to 9,388,379 roubles.

In addition to its capital, the Nobles' Government Bank possessed, at the end of 1913, real estate of a total value of 1,271,700 roubles, various securities for an amount of 9,458,916.28 roubles, and, finally, the special commemorative fund of 10,000,000 roubles above mentioned.

Altogether, in the year 1913, the Nobles' Government Land Bank has poured hard in the pursuit of the special end for which it was founded, that, namely, of encouraging as far as possible the mortgage business of that class which is still today more than any other in Russia representative of the intelligent and rational evolution of agricultural economy. Powerfully aided in its efforts by the Government, it will even be able considerably to enlarge its sphere of activity by means of the quite new field which will be opened to it by means of the fund formed in commemoration of the one hundredth anniversary of the foundation of the Romanoff dynasty. And from the preceding figures we see that, while constituting the most precious financial support of the class to which it exclusively devotes its attention, the Nobles' Bank is no less one of the most important influences on the progress of home colonisation and of the landed estates of the classes belonging to the nobility, owing to the important part it plays as intermediary in the transfer to these classes of thousands of landed estates previously belonging to the nobles.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO CREDIT.

SWITZERLAND.

WEBER-SCHURTER (J.), Director of the Swiss Land Credit Institute of Zurich: *Die schweizerischen Hypothekenbanken (Swiss Mortgage Banks)*. Published, on the occasion of the Swiss National Exhibition held at Bern, in 1914, by the Commission of the Section "Banks". Zurich, 1914. Orell Fussli. 126 pages with numerous tables and graphs.

When the National Exhibition was held at Bern, in 1914, there was published, in addition to two monographs relating to Swiss cantonal and local and intermediate banks, a valuable study of Swiss mortgage banks, written by one of the highest authorities upon the subject in Switzerland.

Switzerland possesses, at the present day, no less than twenty mortgage banks, in the strict sense of the term, with a nominal capital of 194,000,000 francs of which 188,250,000 are paid up. In addition, the cantonal banks, savings banks, and many banks of mixed type also transact a certain amount of mortgage business of various kinds. Thus, the mortgage investments of the cantonal banks amounted, in 1912, to 1,330,000,000 francs and represented 49 per cent. of the total assets. The study referred to above, deals only with mortgage banks, properly so called and does not, therefore, show the whole of the mortgage transactions in the country.

However, the volume is not a mere description of the regulations and working of Swiss mortgage banks. The author, on the basis of the results of a *questionnaire* sent by him to banking institutes, savings-banks, insurance companies, cantonal departments of finance, towns and communes has attempted also to ascertain the total mortgage indebtedness of the country. Only a part of the results obtained from the *questionnaire* could be regarded as satisfactory. Nevertheless, the author considers himself justified in estimating the mortgage debt of Switzerland at 6,000,000,000 francs. Of this amount, 2,500,000,000 francs, or 42 per cent., is residential or agricultural mortgage; while the remainder consists of town mortgage, industrial mortgages, etc. He calculates the average annual demand for mortgage credit, from 1896 to 1912, at 190,000,000 francs. He is able to

the precise information relating to mortgages amounting to 4,634,000,000 francs, of which amount 4,251,000,000 francs was national mortgage and 383,000,000 francs (being 8 per cent.) was foreign mortgage. The mortgage banks proper were the principal lenders, having contributed 358,000,000 francs or 33 per cent. of the total of 4,634 million. The mortgage business of these banks amounted to only 809.86 million francs in 1883; to 581.29 million in 1896; and to 338.76 million in 1883. Unfortunately it was not found possible to establish the distribution of the loans made by the mortgage banks between rural, urban and industrial property. Of only one of the twenty banks was able to furnish the necessary information. The author is of opinion that, speaking generally, the mortgage banks prefer to deal in urban land credit, while the cantonal banks supply the demand for rural and agricultural credit.

Following this important general study of mortgage indebtedness and land credit the author describes in detail the organisation, activity and technical administration of the mortgage banks. The third section consists of a brief outline of the development of the banks and a statement of their present position, the author presenting, in the text and as appendices, a large number of tables and graphs.

The last part of the study is devoted to a critical examination of the whole Swiss mortgage banking system. The author deals, in particular, with the proposal to establish a State mortgage bank, and arrives at the conclusion that the work which, it is intended, would devolve upon a State bank, could be performed more simply and economically, as well as more thoroughly, by a private central mortgage institute.

Part IV: Miscellaneous

AUSTRIA.

CONTEMPORARY AGRICULTURAL POLICY IN AUSTRIA.

CHAPTER III

LAND OPERATIONS, ACCORDING TO STATE AND PROVINCIAL LAW.

§ I. GENERAL REMARKS.

The economic proceedings which afterwards received the name of "Land Operations" were sanctioned by three Imperial Laws of June 24, 1883, Boll. L. I. Nos. 92-94. We must, however, here at once observe that these three laws only laid down general lines for subsequent provincial legislation (for which reason these laws are called, in accordance with Austrian constitutional law, *Rahmengesetze*); they came into force, consequently, only after the approval of the corresponding provincial laws. Lower Austria, Carinthia, Carniola, Salzburg, Moravia, Silesia, and Galicia. After 1908, bills were presented in the Diets of Styria, Tyrol, Upper Austria, Goritz and Gradiska, and bills of the same tenor were drafted for Bukovina, Vorarlberg and Istria. Of the innovations introduced into the more recent provincial laws in regard to farm readjustment, division and systemisation, constituting a real advance on the laws previously in force, due account was taken also in the earlier provincial supplementary laws ("Novellen"), so that the provincial laws now in force on land operations and the above mentioned bills contain provisions substantially the same; and in this connection the provincial legislation went even beyond the maximum limits laid down in the Imperial laws (*Rahmengesetze*) with which all the legislative work under consideration originated. Only in Galicia are the old laws still in force; an independent bill was drafted

for Dalmatia in connection with the old provincial laws of that country, dealing with the distribution of communal landed estates, the regulation of the working of communal holdings and the division and systematisation of holdings of collective ownership.

The following operations may be conducted in accordance with the provisions of this law :

1. The readjustment of farms ;
2. The division of land of collective ownership and the systematisation of the customary and administrative rights inherent in it. The division may be general when made :
 - (a) between the authorities on the one hand and communes or persons formerly subject to them on the other ;
 - (b) between communes or between fractions of communes ;
 - (c) between communes or fractions of communes on the one hand and a community on the other and, finally ;
 - (d) between agricultural communities.

The division may also be particular, that is to say there may be a subdivision and distribution among the individuals of their shares of a holding of collective ownership, when such collective ownership is the result of a general division :

- (a) between members of an agricultural community, among the persons formerly subject ;
- (b) between those having rights to the temporary possession of land to be worked by them in turn.

3. The separation from forest holdings of portions forming enclosures in the holdings of other persons and the rounding off of the forest holdings.

There are special "land authorities" to act as the executive bodies above all for purposes of land readjustment, division and systematisation, according as the problems to be solved are of legal, technical or economic character.

The court of first instance consists of Local Commissioners entrusted with the preparation and execution of the individual operations. Each of these officers, who are for the most part selected from among the Government servants engaged in political administrative work, is assisted by a technical office in which there are a certain number of land surveyors, whilst the experts necessary for the separate operations, experts in forestry, land reclamation etc., are engaged as the occasion demands.

In all difficulties of economic character arising in connection with land readjustment, the Local Commissioner is assisted by a "Committee of the parties concerned".

The authority in the second instance is called the Provincial Commission and meets at the office of the Provincial Government ; the authority in the last instance is the Departmental Commission for Land Operations at the Department of Agriculture ; both these latter Commissions are composed of civil servants belonging to the administrative and judicial departments. The Provincial Executive Committee is also represented in the Provincial Commission. For the decision of questions of

technical nature the Commissions retain permanent legal advisers; in case it is necessary, the Commissions may also consult experts.

The character of the Provincial and Departmental Commissions is the same even in respect to all that concerns operations undertaken for the abolition of enclaves in forests and the rounding off of forest holdings.

Every kind of land operation enjoys extensive fiscal facilitations; above all the alterations necessitated by readjustment and division of farms are made in the cadastre as a matter of course and without charge.

The costs of agricultural operations, and in the first place those for readjustment, division and systemisation of farms, as far as the Provincial and departmental Commissions and the legal and technical services of the staff directing the operations are concerned, are borne by the Treasury. All other costs, above all for the work of the surveyors, the offices, subsidiary work involved in undertakings carried out in the country, the plant required for collective use etc., are borne by the parties concerned. But in the interest of the regular course of the work itself, to a large extent the State advances the money to meet this expenditure, and only after the termination of the work do the parties concerned repay it.

§ 2. FARM READJUSTMENT.

The basis on which the readjustment is carried out is that all the farms to be subjected to readjustment are considered as a single mass, to be divided among the owners with a view to the greater yield of the various holdings, every proprietor receiving a new piece of land corresponding in due to that previously possessed by him. The former condition of ownership disappears altogether and has no influence in the new distribution.

Thus a landholder who before the readjustment had his land subdivided, for example, into ten parcels, after the readjustment will possess a single piece (or two, according to circumstances).

The fundamental idea from which the 1883 law on readjustment of farms starts is the subordination of the interest of the individual to that of the majority interested, with the object of obtaining a more economic and reasonable distribution of rural land (1). The Austrian law lays it down that when the majority, that is to say the half of the holders of a commune possessing at least two thirds of the existing farms, decides to proceed to the readjustment of farms, the others concerned cannot make opposition and the operation asked for by the majority

(1) A statistical return of 1880 reported 24,574 communes as shown in the cadastre in Austria (exclusive of Galicia): only in 3,284 of these, that is in 13.4%, were there holdings consisting of one piece of land; in 1,782 communes, that is in 7%, this class of holding predominates; but in almost 20,000, that is in 4/5ths of the total, the majority of the holdings are broken up and scattered with all the baneful consequences resulting from such a state of things. Since 1880 the conditions have remained almost unvaried.

must be carried out. It is only fair that the will of the majority should suffice; in view of the influence of tradition on the peasants, who do not readily decide to abandon the systems to which they are accustomed, it would be impossible to arrive at any practical result if unanimity among the land holders were necessary before readjustment could be proceeded with.

When the majority has declared itself favourable, according to the forms we shall explain below, the State intervenes to carry out the work.

The reasonable distribution of an area of land in such a way that the rights of all are safeguarded is a work so replete with difficulties of a technical, geometrical, economic and legal character, that success could not be expected without the State intervening, establishing the plan of the operations and getting it carried out by expert and competent officers. Only when the most complete impartiality and full respect for the rights of all are guaranteed, can the minority be compelled to accept a measure it does not desire. Let us add that the public interest is also involved, as the readjustment must in no way damage the interests of agriculture, forestry etc.

As above said, before the readjustment can be carried out, it must be desired by a majority of the landowners; there is, however, one case, in which it may be undertaken even independently of the will of those affected, that is when a provincial law orders the readjustment of a given area for the facilitation of works of irrigation or drainage in a part of the provincial territory.

Readjustment is carried out as follows. All the rural holdings within the area to be readjusted, which is generally a commune as shown in the cadastre, are affected, with the exclusion, at the desire of the proprietor of land possessing a special value, which cannot be substituted by other land (for example gardens, orchards, vineyards); other land may be excluded as a matter of course, when it would suffer serious loss if subdivided or presents special difficulties on account of the mortgages on it.

In order that the readjustment may be carried out, the majority of those concerned must request it. According to the most recent legislation for the initiation of the work, it is enough that demand be made by one third of those concerned, provided, however, these enjoy a third of the net revenue, as shown in the cadastre, of the parcels to be readjusted. This manifestation of their desire is called *Provokation*, and takes the form of an application, that may be presented by the proprietors to the political authorities, a local commissioner, a notary or an advocate, for the readjustment to be initiated. The application is forwarded to the competent authority, which, as above said, is a special court of three grades. The authority of the first instance is the "Local Commission for Land Operations", who is the immediate executive authority; that of the second instance is the "Provincial Commission for Land Operations", that of the third instance, the decision of which is final, is the "Departmental Commission for Operations".

These are competent to deal with all disputes arising out of the readjustment operations, independently of the judicial authority.

After approval has been duly given, the Local Commissioner begins preparatory work, consisting in the classification and valuation of the holdings, the establishment of the principles to be followed in the readjustment and the drafting of the plan. In all these operations the parties interested intervene, as above said, by means of a committee they elect on their own number, which acts as an advisory body for the Local Commissioner. The parties concerned may present appeal at each stage of the various proceedings. The parties interested in the effects of the readjustment are the landowners and usufructuaries and no one else (for example those who have servitudes, tenants etc.). After the plan has been submitted to the majority of those concerned and again approved, it is forwarded to the Provincial Commission, which may reject it or amend it. If approved, the proceedings enter on a new stage: that of execution (distribution of the new holdings, regulation of the servitudes and mortgages, rectification of the land book in accordance with the new conditions).

The work of readjustment, implying the solution of manifold economic, technical and legal problems, is very complicated and expensive. The cost varies with the area to be readjusted and is partly borne by the private individuals but chiefly by the State: all the deeds, documents etc. are exempt from stamp and other taxes.

The cost depends above all on the area to be readjusted. According to experience up to the present, the cost of readjustment under average conditions, that is to say conditions neither good nor bad, is per hectare:

For an area of	200 has.	26	crs.
" "	400 "	23	"
" "	700 "	20	"
" "	1,000 "	16	"
" "	1,500 "	13	"
" "	2,000 "	11	"
" "	3,000 "	10	"

If the work is carried out under good conditions, the cost is 20 % less, under bad conditions, 20 % more. The expenses of the parties concerned under average conditions are:

For an area of	200 has.	6.00	crs.
" "	400 "	6.00	"
" "	700 "	4.00	"
" "	1,000 "	4.00	"
" "	1,500 "	4.00	"
" "	2,000 "	3.00	"
" "	3,000 "	3.00	"

Wherever readjustment has been carried out, the results have been excellent, increasing the yield of the land, and reducing the cost of production etc.

In regard to forests it is to be observed that the portions of forest occurring within the area to be readjusted are considered as agricultural land. According to the most recent laws in some provinces (Upper Austria, Lower Austria, Salzburg, Carniola and Moravia) forests may be included in the scheme of readjustment or even independently readjusted, if this required in the interest of the national economy and at least one half of the proprietors make application for it (1).

§ 3 READJUSTMENT OF LAND HELD COLLECTIVELY.

The readjustment of land of collective ownership includes both its division and its systemisation. The object is in the first place to make the legal situation clear, first of all by separating the land that belongs to the commune or fraction of commune from the land of collective ownership (general division), and secondly by the distribution of the remaining portion of the collectively owned land among the individual proprietors concerned (individual division), or leaving this portion the character of an asset to be used for a definite purpose to be enjoyed and administered in the regular ownership by those who have the right (systemisation). The general division, therefore, always involves either individual division or systemisation; however, it is well to keep in mind that the communes have not a right in every case to share in the land collectively held, and so the individual division and if systemisation are not always preceded by a general division.

The legal situation being made clear, first of all it must be settled whether the collective land is to pass into the hands of private individuals or, after due systemisation, to be worked collectively; the latter alternative is advisable in many cases, when the land is pasture land, above all when land of private ownership is to be added to it or when readjustment is to be carried out at the same time, the second alternative in the case of forests, meadows situated in valleys and especially Alpine meadows. It is clear, however, that in particular cases both operations must and can be effected in such a way that a part of the collective land is divided and a part is systemised and retains the form of collective property.

So much in regard to the idea of the readjustment of collective land in its general lines.

The provisions governing the whole action are found, as has been stated in the Imperial Law (Rahmengesetz) of June 7th., 1883. *Boll. L. I. No. 9*; which was followed by many provincial laws.

(1) For details of a technical character see: PAUL HEIN: *Die Kommassation (Vereinigung der Grundstücke) und die sonstigen agrarischen Operationen*. Vienna, 1912. - *Geschäftliche und technische Instruction für die Durchführung agrarischen Operationen*. Vienna: Hof- und Staatsdruckerei.

It is not our intention to enter more at length into the details of these provisions, as our object in these brief remarks is more than anything else to explain the statistics we publish below, which constitute the principal matter and object of this article. For particulars we refer our reader to Schiff's book on "*Österreichs Agrarpolitik seit der Grundentlastung*", Tübingen, Laupp, 1898, pp. 245-295, which, however, does not contain the most recent provincial laws, amongst which we may mention the provincial law for Tyrol of June 19th., 1909, Boll. L. and Ord. No. 16, on the division of holdings of collective ownership and the systemisation of customary and administrative rights involved.

In regard to the Imperial law of 1883 and the older provincial laws, we must remember that they failed because they confined themselves to prescribing that the systemisation must only be carried out on the application of a certain number, generally a very large number, of the collective holders instead of making it compulsory. The law further neglected to terminate generally the various legal relations in regard to communal land, to the readjustment of disorganized communities etc.

However, in recent years the Government has been very active, while formerly it hesitated to sanction the provincial laws when voted.

Although not even the new provincial laws order the general compulsory systemisation of agricultural communities, making this subject to the favourable vote of a portion (generally one fourth) of the members of the community, in other respects they constitute a real progress.

At present great stress is laid, in cases of division and readjustment, on the provision of all the labour and plant required for the use of the community and the simplification of the procedure required by the laws in force in case of systemisations or divisions of minor importance. But of greater importance is given to the fact that the mountain pastures and forests are systemised also for economic purposes by means of provisions for the protection and improvement of the soil, means of access to pastureland etc. Further, principles of civil law have been laid down with regard to the agricultural communities, although some objection may be made to the form they have taken. At present in this field the provisions of the Civil Code in regard to collective landed property have to be applied, and we cannot here speak of civil personality for lack of the fundamental and necessary for it. But the provisions of the Civil Code are not adapted to the relations in question because they do not take into consideration that the rights to the shares must correspond with the economic requirements of the special agricultural holding. The new laws attempt to take account of this matter and give the legal relation of the individual to the object of collective possession the character of a *jus in rem scriptum*, legally inseparable from the dominant holding. This legal bond, which gives the rights of use to the dominant holding is based on ancient custom. Notwithstanding it cannot be unhesitatingly accepted as long as there is an agricultural holding forming an indivisible whole and the rights of use are not limited to the requirements of the dominant holding. Under the present system of the divisibility of landed property the legal grant of rights of

use to the owner of a landed estate may have quite absurd consequences. It would be much better for landed estates of collective ownership to be constituted as incorporated bodies and establish the principle of the indivisibility of the collective holding, in a similar manner to that of the communal holding.

The new regulations provide for the protection of the agricultural communities, while up to the present the agricultural authorities had abandoned them entirely to themselves as soon as the systemisation had been effected. Henceforward, however, the authorities will have to see to the carrying out of the plans of systemisation, the maintenance of the permanent works of collective use, and the exercise of a wise economy; they must even oblige the collective owners to undertake the necessary improvements, to remedy defects etc. The new provisions forbid sale (but no division) of mountain pastures, meadows and forests of collective ownership, as well as the encumbering of them, without the consent of the competent authorities.

§ 4. THE ELIMINATION OF ENCLAVES BELONGING TO FOREST HOLDINGS AND THE ROUNDING OFF OF SUCH HOLDINGS.

The above action is rendered necessary by the fact that often in a district region even otherwise presenting an appearance of a well rounded whole, there are meadows, fields etc. forming little enclaves belonging to owners other than those of the land by which they are surrounded.

This condition of things so injurious to the regular conduct of forest business is an inheritance from the days in which wood was of little value and the forest was not regarded as utilisable economically, but rather a game preserve; besides it was considered almost always as the property of the community. With the alteration of the economic conditions, many of the enclaves were got rid of by means of purchase or transfer: mutual agreement remained even under the recent agricultural legislation the only means for getting rid of this inconvenience due to the improper division of the soil. For the promotion of the work, the Austrian laws make no compulsory provision but only provide certain facilities. This is indeed natural, and according to the principle of economic liberty that began to prevail about 1860; the land had to be systemised by free agreement of the parties concerned, the law not having to do anything more than remove eventual obstacles. The Imperial law No. 93 of 1883 grants special facilities for transfers of this kind approved by the authorities; they have force, however only in those provinces in which "land operations" regulations have been introduced, for only there are the necessary authorities to be found.

Contracts for transfer of land for purposes of rural or forestry economy, concluded with the approval of the Provincial or Departmental Commission for Land Operations, with the object of getting rid of parcels of land, in wooded districts, altogether or partly enclosed in land of other

ownership, are exempted by the above law from stamp and other taxes, and there is also exemption in these cases from any tax on the transfer of the land, the rights and duties involved in the ownership of it registered in the cadastre, and the absence of consent on the part of those enjoying the rights or subject to the obligations to the transfer and the alteration consequently made in the cadastre may be made up for by the approval of the Provincial or Departmental Commission.

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Having now dealt at sufficient length with the principles inspiring the Austrian law in regard to "land operations", grouped in three distinct classes, and the principal provisions of the earlier and most recent legislation, of the former that is in so far as the latter is a consequence of it and based on it, let us now show the results obtained by the authorities up to the end of 1913 in the direction of the three principal operations: *readjustment, division and systemisation*.

§ 5. OPERATIONS CARRIED OUT UP TO THE END OF 1913.

In 1913 land operations were carried out in Lower Austria, Moravia, Carniola, Salzburg, Silesia, Galicia, Tyrol, Styria, and Upper Austria.

In Lower Austria, Moravia and Galicia, they were chiefly readjustments of land; in the other provinces they were divisions and systemisations, the latter almost everywhere in connection with the improvement of pastures and Alpine meadows.

The staff available for the legal and technical service of the first instance in the above provinces consisted of 28 local commissioners with 7 assistant local commissioners, and, in 26 technical offices, 26 technical managers and 1 assistant inspector, and also 100 agricultural engineers and 51 assistant engineers.

The total number of operations initiated up to the end of 1913 was:

253	readjustments affecting	179,641	ha. and	28,830	individuals
2,800	divisions	161,056	" "	46,347	"
1,026	systemisations	293,738	" "	59,545	"
Total 4,079	operations affecting	653,035	ha. and	125,722	individuals

Of these, before 1913 there were already formally completed:

68	readjustments affecting	48,700	ha. and	6,336	individuals
1,525	divisions	88,717	" "	28,598	"
243	systemisations	17,122	" "	7,036	"
Total 1,834	operations affecting	154,539	ha. and	41,970	individuals

In 1913 there were formally completed:

10 readjustments affecting	4,414 ha. and	735 individual
47 divisions	6,201 " "	1,759 "
12 systemisations	1,427 " "	354 "

Total . 69 operations affecting . . 12,042 ha. and 2,848 individual

Besides this, there were actually carried out:

122 readjustments affecting	94,120 ha. and	16,903 individual
384 divisions	29,917 " "	6,141 "
71 systemisations	17,394 " "	4,677 "

Total 577 operations affecting . . 141,431 ha. and 27,721 individual

There were in course of execution :

53 readjustments affecting	32,407 ha. and	4,856 individual
846 divisions	36,821 " "	9,849 "
700 systemisations	257,795 " "	38,478 "

Total 1,599 operations affecting . . 327,023 ha. and 53,183 individual

The increase in the number of operations commenced as compared with 1912 was:

12 readjustments
107 divisions and systemisations

Total 119 operations affecting . . 56,977 ha. and 15,464 individual

At the end of 1913 there had further been received :

38 applications for readjustment
384 " " division
401 " " systemisation

Total 803 applications for operations.

With regard to the situation of the works in the different provinces we can give the following information :

1. *Lower Austria.*

At the end of 1913 there had been formally completed and actually carried out :

72	readjustments affecting	77,511	ha. and	7,769	individuals
257	divisions	13,288	" "	6,644	"
112	systemisations	10,053	" "	19,675	"
<hr/>					
total	441 operations affecting.	100,857	ha. and	19,088	individuals

There were in course of execution :

16	readjustments affecting	18,140	ha. and	1,544	individuals
35	divisions	1,930	" "	600	"
62	systemisations	299	" "	247	"
<hr/>					
total	62 operations affecting.	20,369	ha. and	2,931	individuals

In addition, there had been received at the end of the year.

3	applications for readjustment
5	" " division
12	" " systemisation
<hr/>	
total	20 applications for operations.

2. *Moravia.*

At the end of 1913 there had been formally completed and actually carried out :

104	readjustments affecting	57,960	ha. and	11,731	individuals
172	divisions	1,133	" "	1,737	"
2	systemisations	473	" "	328	"
<hr/>					
total	281 operations affecting.	59,566	ha. and	13,816	individuals

There were in course of execution :

20	readjustments affecting	10,876	ha. and	2,550	individuals
509	divisions	1,383	" "	1,805	"
8	systemisations	764	" "	577	"
<hr/>					
total	537 operations affecting	13,023	ha. and	4,932	individuals

In addition to this, there had been received at the end of the year:

12	applications	for readjustment.
46	"	" division.
8	"	" systemisation.

Total 66 applications for operations.

3. Carinthia.

At the end of 1913 there had been formally completed and actually carried out:

4	readjustments affecting	964	ha.	and	186	individuals
568	divisions	"	39,351	"	"	8,455
162	systemisations	"	15,972	"	"	3,218

Total 734 operations affecting. . . 56,287 ha. and 11,849 individuals

There were in course of execution:

3	readjustments affecting	288	ha.	and	121	individuals
45	divisions	"	7,655	"	"	992
118	systemisations	"	28,334	"	"	3,702

Total 166 operations affecting. . . 36,277 " " 4,816 individuals

In addition, there had been received at the end of the year:

34	applications	for division
45	"	" systemisation

Total 79 " " operations.

4. Carniola.

At the end of 1913 there had been formally completed and actually carried out:

2	readjustments affecting	132	ha.	and	151	individuals
734	divisions	"	59,675	"	"	16,877
5	systemisations	"	2,228	"	"	403

Total 741 operations affecting. . . 62,035 ha. and 17,431 individuals

There were in course of execution:

157	divisions	affecting	17,210	ha.	and	4,543	individuals
62	systemisations	"	17,308	"	"	4,530	"

Total 219 operations affecting. . . 34,518 ha. and 9,073 individuals

Besides this, at the end of the year there had been received :

	5 applications for readjustment	
214	" " division	
68	" " systemisation	
<hr/>		
Total	287 applications for operations.	

5. Silesia.

At the end of 1913 there had been formally completed and actually carried out :

3	readjustments affecting	986 ha.	and	142 individuals
205	divisions	" 10,470 "	" "	2,447 "
5	systemisations	" 322 "	" "	232 "
<hr/>				
Total	213 operations affecting . .	11,778 ha.	and	2,821 individuals

There were in course of execution :

1	readjustment affecting	95 ha.	and	41 individuals
26	divisions	" 3,238 "	" "	395 "
1	systemisations	" 50 "	" "	126 "
<hr/>				
Total	28 operations affecting . .	3,383 ha.	and	562 individuals

Besides this, by the end of the year there had been received :

	1 application for readjustment	
	7 applications for division	
	1 application for systemisation	
<hr/>		
Total	9 applications for operations.	

6. Galicia.

At the end of 1913 there were formally completed and actually carried out :

71	readjustments affecting	9,125 ha.	and	3,922 individuals
6	divisions	" 584 "	" "	220 "
1	systemisations	" 123 "	" "	3 individuals
<hr/>				
Total	14 operations affecting . .	9,832 ha.	and	4,145 "

There were in course of execution :

1	readjustment affecting	1,025 ha.	and	250 individuals
19	divisions	" 1,215 "	" "	419 "
23	systemisations	" 4,685 "	" "	6,004 "
<hr/>				
Total	43 operations affecting . .	6,925 ha.	and	6,673 individuals

In addition to this there had been received at the end of the year :

9	applications for readjustment
9	" " division
33	" " systemisation

Total 51 applications for operations.

7. Salzburg.

At the end of 1913 there had been formally completed and actually carried out :

5	readjustments affecting	267	ha.	and	27	individuals
20	systemisations	"	4,015	"	317	"

Total 25 operations affecting . . 4,282 ha. and 344 individuals

There were in course of execution :

4	readjustments affecting	272	ha.	and	36	individuals
2	divisions	"	216	"	27	"
90	systemisations	"	25,555	"	1,969	"

Total 96 operations affecting 26,043 ha. and 2,032 individuals

Besides this, there had been received at the end of the year :

1	application for readjustment
3	applications " division
6	" " systemisation

Total 10 applications for operations.

8. Tyrol.

At the end of 1913 there had been formally completed and actually carried out :

1	readjustment affecting	12	ha	and	3	individuals
3	divisions	"	59	"	14	"
11	systemisations	"	2,601	"	2,822	"

Total 15 operations affecting . . 2,672 ha and 2,839 individuals

There were in course of execution :

2	readjustments affecting	401	ha.	and	94	individuals
8	divisions	"	1,724	"	224	"
308	systemisations	"	162,029	"	19,406	"

Total 318 operations affecting . . 164,154 ha. and 19,724 individuals

Besides this there had been received at the end of the year :

15	applications for division
198	„ „ systemisation

Total 213 applications for operations.

9. Styria.

At the end of 1913 there had been formally completed and actually carried out :

1	readjustment affecting	43 ha.	and	9 individuals
9	divisions	275	„ „	94 „
4	systemisations	141	„ „	26 „

Total 14 operations affecting . . 459 ha. and 129 individuals

There were in course of execution :

3	readjustments affecting	667 ha.	and	105 individuals
45	divisions	2,250	„ „	843 „
76	systemisations	18,420	„ „	1,628 „

Total 124 operations affecting . . 21,337 ha. and 2,576 individuals

Besides this, there had been received at the end of the year :

6	applications for readjustment
51	„ „ division
26	„ „ systemisation

Total 86 applications for operations.

10. Upper Austria.

At the end of 1913 there had been formally completed and actually carried out :

1	readjustment affecting	234 ha.	and	34 individuals
1	systemisation	16	„ „	44 „

Total 2 operations affecting . . 250 ha. and 78 individuals

There were in course of execution :

3	readjustments affecting	643 ha.	and	115 individuals
3	systemisations	357	„ „	280 „

Total 6 operations affecting . . 994 ha. and 404 individuals

Besides this, there had been received at the end of the year :

1	application for readjustment
4	„ „ systemisation

Total 5 applications for operations.

Agricultural Operations

Stage of Completion	Province	Readjustments		
		Number of Operations	Area ha.	% of A
Formally Completed	Moravia	8	3,329	
	Lower Austria	1	1,063	
	Carinthia	—	—	
	Carniola	1	22	
	Silesia	—	—	
	Galicia	—	—	
	Salzburg	—	—	
	Tyrol	—	—	
	Styria	—	—	
	Upper Austria	—	—	
	Total	10	4,414	
Actually Carried out	Moravia	58	33,621	
	Lower Austria	44	48,048	
	Carinthia	4	964	
	Carniola	1	110	
	Silesia	3	989	
	Galicia	7	9,123	
	Salzburg	2	87	
	Tyrol	1	12	
	Styria	1	43	
	Upper Austria	1	234	
	Total	122	94,120	
At an Advanced Stage	Moravia	7	2,597	
	Lower Austria	7	6,150	
	Carinthia	1	105	
	Carniola	—	—	
	Silesia	1	65	
	Galicia	—	—	
	Salzburg	1	14	
	Tyrol	1	137	
	Styria	1	240	
	Upper Austria	—	—	
	Total	19	9,388	
At the First Stage	Moravia	13	8,279	
	Lower Austria	9	11,996	
	Carinthia	2	183	
	Carniola	—	—	
	Silesia	—	—	
	Galicia	1	1,043	
	Salzburg	3	258	
	Tyrol	1	204	
	Styria	2	377	
	Upper Austria	3	643	
	Total	34	23,019	

1913. — Summary.

Divisions		Systemisations				Total	
Area ha.	Number of Persons Affected	Number of Operations	Area ha.	Number of Persons Affected	Number of Operations	Area ha.	Number of Persons Affected
212	660	—	—	—	10	3,511	1,320
570	139	2	158	62	6	1,791	274
1,258	160	8	774	276	15	2,032	436
4,161	800	1	107	8	37	4,200	810
—	—	—	—	—	—	—	—
—	—	1	388	8	1	383	8
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
6,201	1,759	12	1,427	354	69	12,042	2,848
512	563	—	—	—	214	31,153	7,465
520	222	4	874	348	55	50,338	6,113
10,025	1,456	30	8,111	714	93	19,130	2,350
16,635	3,401	2	1,704	347	105	18,449	3,897
1,381	171	1	10	71	44	2,277	384
584	220	1	123	3	14	9,832	4,145
—	—	17	3,484	302	19	3,571	315
59	14	11	2,601	2,822	15	2,672	2,839
275	94	4	141	26	14	459	129
—	—	1	16	44	2	250	78
29,917	6,141	71	17,394	4,677	577	141,431	27,721
657	588	5	363	224	124	3,617	1,622
1,703	471	8	227	196	10	8,080	1,299
6,855	642	29	7,881	984	56	14,844	1,689
12,019	3,181	32	8,440	2,456	125	20,159	5,040
236	53	—	—	—	13	331	91
530	196	9	1,930	1,577	13	2,400	1,773
—	—	49	14,124	929	50	14,138	932
301	30	61	39,603	3,509	65	40,101	3,572
716	362	23	4,722	446	46	5,728	855
—	—	2	170	276	2	170	276
23,017	5,126	218	77,523	10,597	534	109,928	17,752
726	1,217	3	401	353	413	9,406	3,310
227	129	3	72	51	22	12,289	1,092
800	351	89	20,450	2,718	110	21,433	3,127
5,191	1,359	30	8,868	2,074	94	14,059	3,433
3,002	342	1	50	120	15	3,052	168
685	223	14	2,755	4,427	30	4,465	4,900
216	27	41	11,431	1,040	46	11,905	1,100
1,423	194	247	122,366	15,897	253	124,053	16,152
1,534	481	53	13,698	1,182	78	15,609	1,722
—	—	1	181	13	4	824	128
13,804	4,323	482	180,272	27,871	1,665	217,095	35,431

Agricultural Operations

Stage of Completion	Province	Readjustment	
		Number of Operations	Area ha.
Total of the Operations in course of Execution	Moravia	86	47,826
	Lower Austria	61	68,141
	Carinthia	7	1,252
	Carniola	2	132
	Silesia	4	1,081
	Galicia	8	10,150
	Salzburg	6	359
	Tyrol	3	413
	Styria	4	710
	Upper Austria	4	877
	Total	185	130,941
Formally completed before 1913	Moravia	38	21,010
	Lower Austria	27	27,510
	Carinthia	—	—
	Carniola	—	—
	Silesia	—	—
	Galicia	—	—
	Salzburg	3	180
	Tyrol	—	—
	Styria	—	—
	Upper Austria	—	—
	Total	68	48,700
Total	Moravia	124	68,839
	Lower Austria	88	95,651
	Carinthia	7	1,252
	Carniola	2	132
	Silesia	4	1,081
	Galicia	8	10,150
	Salzburg	9	539
	Tyrol	3	413
	Styria	4	710
	Upper Austria	4	877
	Total	253	179,641
Applications	Moravia	12	—
	Lower Austria	3	—
	Carinthia	—	—
	Carniola	5	—
	Silesia	1	—
	Galicia	9	—
	Salzburg	1	—
	Tyrol	—	—
	Styria	6	—
	Upper Austria	1	—
	Total	38	—

91j. — *Summary (Continued).*

Divisions		Systemisations				Total	
Area ha.	Number of Persons Affected	Number of Operations	Area ha.	Number of Persons Affected	Number of Operations	Area ha.	Number of Persons Affected
2,127	3,028	8	764	577	761	50,717	13,717
3,026	961	17	1,331	657	123	72,498	8,778
18,393	2,609	156	37,549	4,602	276	57,739	7,608
38,006	8,744	65	19,119	4,885	361	57,257	13,780
4,519	556	2	60	197	72	5,600	916
1,799	639	24	4,808	6,007	57	16,757	10,818
216	27	108	29,427	2,279	116	30,002	2,355
1,783	238	319	16,630	22,228	333	166,826	22,563
2,525	937	80	18,561	1,654	138	21,796	2,705
—	—	4	397	333	8	1,244	482
72,939	17,749	783	276,616	43,509	2,215	480,496	83,752
389	534	5	473	328	57	21,872	5,031
12,192	6,283	106	9,020	1,265	380	48,722	12,701
25,068	6,829	124	6,757	2,228	624	34,825	9,057
38,879	12,676	2	417	48	599	39,296	12,724
9,189	2,276	2	312	160	169	9,501	2,436
—	—	—	—	—	—	—	—
—	—	2	143	7	5	323	21
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
88,717	88,717	243	17,122	7,036	1,834	151,539	41,970
2,516	3,562	13	1,237	905	818	72,589	18,748
15,215	7,244	123	10,351	4,922	503	121,220	21,479
47,006	9,438	280	44,306	6,920	900	92,564	16,665
76,885	21,420	67	19,536	4,933	960	96,553	26,504
13,708	2,842	6	372	357	241	15,101	3,382
1,799	639	24	4,808	6,007	57	16,757	10,818
216	27	110	29,570	2,286	121	30,325	2,376
1,783	238	319	16,630	22,228	333	166,826	22,563
2,525	937	80	18,561	1,654	138	21,796	2,705
—	—	4	397	333	8	1,244	482
161,636	46,347	1,026	293,738	50,545	4,079	635,935	125,772
—	—	8	—	—	66	—	—
—	—	12	—	—	20	—	—
—	—	45	—	—	70	—	—
—	—	68	—	—	287	—	—
—	—	1	—	—	9	—	—
—	—	33	—	—	51	—	—
—	—	6	—	—	10	—	—
—	—	198	—	—	213	—	—
—	—	26	—	—	83	—	—
—	—	4	—	—	5	—	—
—	—	401	—	—	823	—	—

BELGIUM.

AGRICULTURAL LABOURERS IN BELGIUM

OFFICIAL SOURCES :

ANNUAIRE STATISTIQUE DE LA BELGIQUE, ANNÉES 1912 et 1913 (*Belgian Statistical Yearbook, 1912 and 1913*). Published by the Home Office.

L'AGRICULTURE BELGE DE 1885 À 1910. Monographies publiées à l'occasion du XXV^e Anniversaire de l'institution du Service des Agronomes de l'Etat (*Belgian Agriculture from 1885 to 1910. Monographs published for the occasion of the XXVth Anniversary of the Institution of the Government Agronomical Service*). Louvain, 1910, F. Giele.

OTHER SOURCES :

BOUCHÉ (B): Les ouvriers agricoles en Belgique (*Farm Labourers in Belgium*). Published by the Solvay Sociological Institute. Brussels, 1913, Misch and Thron.

JANSSENS DE BISTHOVEN: Quelques aspects de la question agricole (*Some Aspects of the Agricultural Problem*). Bruges, 1914. Printed by L. de Plancke.

Among the problems of agricultural economy that have excited the greatest interest in recent years, in Belgium as in almost all European countries, we find rural exodus one of the most prominent (1). And since the exodus is most observable among the farm labourers, the largest agricultural class, it seems to us desirable to show here the various systems of recruiting labourers and the various forms of contracts, the conditions of labour, the hours of work and the wages. While an examination of these matters will help to explain the phenomenon of rural exodus in the country, it will also serve to enlighten the reader in regard to some aspects of the question characteristic of Belgian farm labour.

The subject, already to some extent treated in important works on Belgian agricultural economics, such as those of Vandervelde, Vliebergh

(1) See in this connection the article by ROBERT ULENS : " *Rural Exodus in Belgium* " published in the *Monthly Bulletin of Economic and Social Intelligence*, May, 1914; and in special relation to the causes of the exodus of farm labourers, the article : " *The Principal Questions of Agricultural Economy Discussed at the 10th. Congress of Agriculture at Ghent in the number of the same Bulletin for December, 1913.* "

ost-Brussel, Mahaim, S. Rowntree etc., has been scientifically dealt with its various aspects by M. Bouché in one of the recent "Travaux l'Institut de Sociologie Solvay," which will be a very useful guide for us the present study, as it contains the results of an enquiry carried out by the Author himself, with the help of numerous question lists, into the conditions, vicissitudes and requirements of the Belgian farm labourers.

§ I. THE PRINCIPAL CLASSES OF FARM LABOURERS.

As we have to examine the conditions and the economic and social characteristics of the Belgian farm labourers, it will be well for us first to know their number and the principal classes of them. The statistics we have are rather old, the latest dating from 1895. In that year, in the total agricultural population of 1,202,905 persons (18.79 % of the total population of Belgium) there were 187,106 farm labourers (128,277 men and 58,829 women) or 14 % of the total agricultural population (1,130,000 persons engaged in industry. 75 % were in receipt of wages).

This total number of farm labourers was distributed as follows in the various provinces; West Flanders, 39,351; East Flanders, 35,088; Brabant, 584; Hainaut, 22,019; Antwerp, 16,385; Liège, 14,584; Limbourg, 900; Namur, 12,776; Luxembourg, 8,419. Fifteen years earlier, in 1880, the agricultural population was 1,199,319 (21.77 % of the total population), amongst whom 217,195 were labourers.

Belgian farm labourers may be divided into three principal classes, which must be considered separately: day labourers, *gagistes* and *lâcherons*.

(a) The *day labourers*: These are labourers who undertake to work for a fixed period or permanently for daily wages of 1 fr., 1.50 fr. or more. They are employed in all work in the fields or about the buildings that can be profitably accomplished at fixed hours without it being necessary for the labourers to reside on the farm. In fact, both the permanent and temporary labourers return to their houses in the evening and sometimes in the day. They are usually recruited in the locality in which they live and generally live near the farm. But their recruiting is everywhere becoming somewhat difficult, so that to attract them and attach them to the farm the landholders and farmers usually give them or lease to them less than the current rate, a piece of land to farm with a dwelling house, supplying them also with farm produce and very often with implements of sowing and draught animals. But all this is of little avail: since the tendency and the aspiration of the day labourer is always to become one day an independent cultivator. The deficiency of day labourers has therefore to be supplied by agricultural machinery and other classes of labourers.

⁽¹⁾ The difference, 1,015,799 was represented by the members of the farmers' families usually employed on work in the fields.

(b) The *gagistes* : Under this name are included the servants employed about the buildings, generally engaged for a year or for an indefinite term, paid by the year or more often by the month at the rate of 20, 25 or 30 fr. in addition to board and lodging. They satisfy the need the farmer has of a certain staff always at his disposal, night and day.

The number of servants of this class depends in each case on the nature of the farm and the conditions of the labour market. Thus, in the region of the Dunes, the cultivation of market gardens and intensive livestock improvement causes this class of wage earners to predominate. The farmers have to have recourse to them, as above hinted, to meet the growing lack of day labourers. In contrast, however, to the latter, the *gagistes* are seldom recruited in the locality in which they are to work, but come more frequently from other localities or regions. This is due to the disinclination they feel to become servants, especially in their native village, as it implies continuous and immediate dependence on the employer, generally not easily supported and considered humiliating.

(c) The *tâcherons* : These are *contract labourers*, who undertake to accomplish a given work for a single fixed amount, for example, 20 fr. for mowing a hectare. In special seasons of the year, there is, in fact, urgent work to be done, simple but fatiguing, for which the ordinary labourers do not suffice and their number must be increased ; in that case their pay is supplied by the *tâcherons*, or jobbing labourers, whose interest it is to perform as much work as possible in as short a time as possible and one whom the farmer has not to exercise any supervision, except in rare case.

There are two kinds of *tâcherons*, those recruited on the spot among the day labourers, for the accomplishment of special or urgent work, such as frequently has to be done in districts of small farms, and those recruited at a greater or less distance from the farm. The latter have all the character of emigrants, in so far as their removal from the district in which they reside to that in which they have to work is of a periodic nature and the same labourers often return to work for the same masters. They sometimes find employment together with the former in the regions where farms are large and the local labour supply insufficient, as in Hesbaye, Condroz etc.

The large majority of these emigrant labourers are Flemish.

Of course the formation and number of the various classes of agricultural labourers in the different regions is influenced by various circumstances. Of these the principal are the kind and area of the farm, the nature of the soil, the density of the population, the conditions of the labour market, the development of agricultural technique etc. It is, indeed, evident that where, as in the regions of the Dunes, market gardening and livestock improvement prevail, a larger number of servants are required for the large houses ; and where small farms predominate the employment of *tâcherons* is rare, though they are most necessary, on the other hand, at certain times on the average sized and large farms. So also it is evident that in a region where the population is large and the rural industrial development is considerable, such as Flanders, it is comparatively very easy to find the labour

is required on the spot, in the class of house servants and day labourers, which consequently reduces the employment of *tâcherons* etc.

§ 2. THE VARIOUS FORMS OF RECRUITING FARM LABOURERS AND THE CONTRACTS.

In Belgium there is no organized labour market, nor are there private or public labour bureaux for farm labourers, but the system still prevalent is that of the direct search for employment on the part of the labourer, who often goes from farm to farm offering his services, or, what is more frequently the case to day, the landlord or the lessee goes in search of the labour he needs. Nor are advertisements in the agricultural papers and magazines of much use, for the simple fact that the field labourer reads little or rather does not read the papers at all, and, for his part, has no need to resort to public advertisement, because generally the demand for labour exceeds the supply.

But if the individual quest of labour, directly by the party concerned, is still the system most usual in the Belgian country districts, there are, "the same, also special persons who in particular places undertake to recruit and to find employment for labourers. Thus, day labourers usually may be recruited by any person of the locality who, often out of pure friendship towards the owner of the farm, undertakes to find them and to provide the necessary information in regard to them. The *gagistes*, on the other hand, coming, as we have seen, for the most part, from other regions, are supplied by special intermediaries called *placeurs*, who receive generally 5 francs for every servant engaged. Finally, the *tâcherons* are recruited by gangers or by special agents. In the first case, the ganger deals directly with the farmer, obliging himself to obtain the necessary labourers for him the time and under the conditions desired. This is the usual system in the districts of large farms.

The want of any organization of the agricultural labour market referred to is due to the very character of the Belgian farm labourer: *L'ouvrier agricole est en Belgique un candidat à l'ère*" (In Belgium the agricultural labourer is an aspirant for a farm). No farm labourer ever proposes to better himself as a labourer. No labourer, that is to say, struggles as a wage earner, but as a future independent farmer. Right or wrong, says Bouché, in the work quoted, he considers his position transitory; he is sustained by the force of his own ideal, which is possession, and which very often is practically realised by the occupation of a piece of land to lease. The agricultural labourer, in substance, hopes one day to leave his class, and in this hope he does not understand or feel the need of a labour organization.

Let us now consider the customs and forms of contract existing in Belgium for the employment of agricultural labourers. There are verbal and written agreements. The first are usual in the case of *gagistes* and day

labourers, the second in that of the *tâcherons*. The reason of the difference is simple: the *gagistes* and day labourers are the ordinary, usual labourers; if the former come from other places they are, however, in constant contact with the farmer by whom they are lodged; while the latter, belonging to the place in which they work, are quite well known by everybody. Both, in a word, are or become members of the household and hence a verbal agreement suffices to establish their reciprocal engagements with the landowner or tenant farmer. The *tâcherons*, on the other hand, as we know, are strangers to the locality, they often come from distant regions to do special work, temporary but of great importance, such as mowing harvesting etc.; it is therefore advisable, even necessary, to have in their case, a written contract, for the mutual security of the parties.

There are various customs in different regions prevalent in regard to the engagement and dismissal of *gagistes*. In the region of the Dunes they are accustomed to present themselves for service at any period of the year, but those who keep to the old customs enter into service on the first of May and annually renew their engagements on that date. In the region of the Polders they are engaged for a whole year, but always paid by the month. In Campine the agreement is for a year, or for a month without any indication, however, of the date of its expiration. In Condroz the contract is on some farms by the year, on others by the month etc.

In some regions there is a characteristic custom, in accordance with which a kind of earnest money, *godspenning*, is given by the farmer to the *gagiste*, at the moment of passing the contract. In Campine the amount is 10 francs, usually paid by whichever party breaks contract. In Flanders, a *godspenning* of 5 francs is paid at the passing of the contract; on the expiration of a year, if the servant renews the agreement, he receives a second *godspenning*, which is in this case really a premium.

Provision is also usually made in the agricultural labour contracts for 15, 10 or 8 days' notice of termination of contract to be given, a rule by which both the servants and the farmers or landholders are bound.

Written agreements, as we have said, are almost exclusively confined to cases of engagements for piece work. The farmer and the *tâcheron* in fact both, are keenly interested, the first to know for certain that his crops will be harvested, the second that he is assured of sufficiently remunerative work in the summer. The form of these contracts is rather simple and often consists in a mere written promise. The farmer, in most cases, arranges with a single labourer, the ganger, who undertakes to find the necessary labourers and generally is the only one who signs. When the moment comes for the execution of the work, the farmer advises the ganger so that he may hold himself in readiness.

This is the most usual form of these agreements. But, owing to the increasing employment of agricultural machinery and the need of security the labourers on wages are feeling more and more, in recent years, the labour contract has been transformed and adapted to new requirements. A special arrangement is now made by the large farmers who employ

machinery. The farmer, that is to say, engages, by means of a regular contract, a certain number of labourers for the summer season, with their pay fixed in advance. The arrangement is generally for about 200 francs for six weeks with lodging and a proportion of their board to be agreed upon. In this new form of contract it is established that the labourers must do all the work required by the farmer; the reaping, transport of the grain to the warehouses, manuring etc. And in some cases also the farmer has the right to demand an extra week's work at 4 fr. a day per labourer.

The agricultural labourers generally prefer this new system, because the pay and the period of their employment is fixed in advance and they are less exposed to risks than formerly.

§ 3. AGRICULTURAL WORKING HOURS AND WAGES.

The Belgian agricultural statistical returns give us no information with regard to the working hours of the agricultural labourers, but it may be said generally that it is the sun that regulates the duration of the work in the fields.

On the other hand, the Monographs on the different regions of the country (1) the Agricultural Department has published in most cases, indicate a working day in winter from 6 or 7 a. m. to 5 or 6 p. m. and in summer from 4 or 5 a. m. to 7 or 8 p. m., with about two hours rest during the day. But this applies mainly to the case of the *gagistes* and so the information is incomplete. It is advisable, on the other hand, to make a distinction, as far as the duration of the agricultural work is concerned, between the three classes of agricultural labourers previously considered, as the conditions of these classes are different, and it will then be easily seen that the *gagistes* and *tichierons* have the longest days, the former, because, being house servants, they must always remain at the farm house, the second because they work by the piece; both, then, "follow the sun". On the other hand, the day labourers, whose affinity to the industrial workmen is closer, are trying to obtain more or less fixed hours, on an average twelve a day. And this is possible in view of the kind of work entrusted to them. There is to be observed, also, a general tendency towards the reduction of the hours of agricultural work, which is most marked in the regions of large farms and in the neighbourhood of industrial centres.

Let us now pass to a consideration of the wages, giving special attention to the modes of payment and the rate of pay.

In the first place the wages may be calculated in respect to the time or to the quantity of work done. In respect to time, the wages may be per year, per month, per day and per hour.

Wages per year imply a long contract, for at least one year, but such contracts are tending slowly to disappear. It is, in fact, evident that contracts

(1) See Sources of this article.

for a year impose too great an obligation on the farm labourer, and when they still exist they are a heritage of times and customs of the past. They are only made with farm house servants.

Wages are most usually calculated by the month in the case of the *gagistes*. The month is the shortest period for which they are employed. Those, indeed, who are not satisfied serve their month and go to seek employment elsewhere.

The day labourer is paid by the day ; as are also labourers who work by the day at the farm house. There are also wages paid per half or quarter of a day, especially in the case of women who cannot leave their homes for an entire day and can only engage to work for a few hours.

On Belgian farms wages are also paid by the hour, but this is rare. The verification of the number of hours actually worked in this field is very difficult. It requires a special system of bookkeeping, both fatiguing and inconvenient. However, the neighbourhood of urban and industrial centres where wages are generally paid by the hour in the factories has here and there led to the farmers adopting the system.

The other mode of calculating wages is in proportion to the amount of work done, *by the piece* and *by the job*.

The former is usual when the labourer is engaged to perform a given kind of work at a rate of so much for a definite portion, so much, that is, persquare metre, so much per 100 kg. of grain threshed etc. ; the latter, when he assumes the charge and the responsibility of executing the whole of a given work ; thus, if a *tâcheron* engages to harvest the beetroot crop on an area of 15 hectares at 55 francs the hectare.

And the labourer who threshes grain *by the piece* may suspend his work at any moment ; but he who has undertaken the mowing of a given area is obliged to finish the job at his own risk and peril.

While, however, wages paid *by the piece* are generally those of individual labourers, wages may be paid by the job either to individuals or to groups, generally to individuals on small farms, where often the work of a single *tâcheron* suffices, and collectively on medium sized and large farms. In the latter case, the work is arranged on a co-operative system, by several labourers who contract to do the work and divide the wages almost always in equal proportions. The head of the group sometimes receives a slightly larger amount, for example 50 centimes more a day.

The farm wages as above distinguished may be paid in money, in kind or in service.

Money is of course the principal if not the only form in which farm wages are paid. The *gagiste* earns, in fact, from 15 to 20 or 30 francs a month ; the day labourer from 2 to 3 or 4 frs. a day, or 0.15, 0.25 or 0.30 frs. an hour ; and the *tâcheron* from 20 to 25 or 40 frs. the ha.

This is the only method of payment in the case of the *tâcheron* and day labourer, who sometimes receives no additional wages in kind, such as board or lodging. It is, however, the principal but not the sole form of remuneration of the *gagiste*, who generally receives board and lodging on the farm on which he is employed.

Wages in kind form the principal or the sole means of remuneration in the case of certain work performed *by the piece* or *by the job*. Thus a labourer threshing grain, instead of receiving, for example, 1.50 fr. per 100 kg. threshed may receive a proportion of the grain, $\frac{1}{12}$ th. or $\frac{1}{15}$ th. Another labourer may undertake to reap the fields of a farm on condition of receiving a certain proportion of the grain. This system is still usual in Hesbaya and Condroz, regions of medium sized and large farms, where the ordinary labourers (in the fields and houses) are not sufficient and the more important work has to be given out to *tâcherons* on contract.

In some regions, in addition to payment in money it is customary to give the day labourers and *gagistes* presents or perquisites. Thus, for example, in the Polders, the day labourers receive on lease from the farmer some acres of land already manured and sown, and with the help of what they can make on the farm they are able to keep rabbits and a pig or two.

A third characteristic method of remunerating labour is by means of special services rendered to the labourer. It is no rare thing for the farmer to engage labourers to perform certain work (such as ploughing, manuring, transport etc.) or get it performed for them. This kind of return service (unknown in the manufacturing field) may be gratuitous or may be repaid. In the first case, it is, in so far as the benefit can be expressed in money, a supplement to the ordinary wages. In the second, however, there is a real exchange of services, the value of which is estimated by each party, or the whole or part of the work done by the agricultural labourer, generally belonging to the class of day labourers, is paid for by means of certain services rendered by the farmer. Thus, in the region of the Dunes, the servants and farm labourers, generally, on holidays have free use of their employers' horses and wagons for ploughing, manuring etc. Elsewhere, however, the day labourers are compensated for their hour by means of services of various kind; the preparation and sowing of a piece of land, transport of material and produce etc.

There are, finally, no recent official statistics in regard to the rate of farm wages and the information in unofficial publications is generally not reliable.

From the manifold examples revealed by Bouché's enquiry above mentioned, it appears that nowadays the annual wages of farmhouse servants vary according to circumstances from a minimum of 500 frs. to a maximum of 900 frs., including board for an average number of 300 days of active work. The wages of day labourers it may be said had in general risen considerably between 1900 and 1912. As, in fact, appears from a special statistical report on the fluctuations in wages during that period, compiled by the West Flanders Provincial Agricultural Commission, in 1900, the average daily wage in the rural communes of that province was for men 0.96 frs. with board, or 1.7 frs. without, and for women 0.57 frs. with board and 1.13 frs. without. These averages in 1912 were respectively 45 frs. and 2.35 frs. for men and 0.93 frs. and 1.68 frs. for women.

UNITED STATES.

THE AGRICULTURAL NEEDS OF THE UNITED STATES.

AMERICAN EVIDENCE: Information and Evidence Secured by the American Commission to the United States Commission, Senate Document No. 214, Part 3, 63rd Congress, 1st Session, Washington, 1914.

INTRODUCTION.

We have already dealt in this *Bulletin* with the work of the two Commissions which, in 1913, visited Europe for the purpose of collecting information upon the subject of agricultural co-operation, including agricultural credit. The investigations were undertaken for the purpose of discovering how far European systems of co-operation could be adapted to meet the needs of American agriculture, and, as a necessary preliminary step to making specific recommendations, the Commissions attempted to ascertain the precise nature of these needs. The American Commission asked the Governor of each State to appoint a small committee to prepare a brief report on the State's agricultural needs. Reports were in due course received from most of the States and printed in a single volume as Part 3 of Senate Document No. 214.

The reports, as indeed was to be expected, are very unequal in value; but taken together they give an interesting and presumably accurate account of America's agricultural needs, and we shall attempt here to give a summary of their contents. Without trying to deal with the reports, by States we shall examine the needs of American agriculture under four heads: (1) Improved methods of farming; (2) Improved facilities for the transport and sale of produce; (3) Increased credit facilities; (4) Improved social conditions.

§ 1. IMPROVED METHODS OF FARMING.

In the course of recent discussions upon American agriculture it has often been asserted that what the farmer lacks is a knowledge of business methods, and that what he needs, therefore, is something in the nature of instruction in the art of selling. The average farmer, according to this view, is a man who is competent and hard-working and, as a technical farmer, successful, but who receives very little in exchange for his products because he is exploited by food combines or trusts. An impartial examination of the evidence available, however, rather inclines one to doubt the correctness of this view. That the farmer is often a bad business man is undeniable; but that he is usually a combination of good farmer and bad business man is not so clear. There is no obvious reason why a man who shows intelligence as a farmer should cease to be intelligent when he comes to do business; and the real truth seems to be that the indifferent farmer is usually an indifferent business man, and that good farming — that is, intelligent farming — is usually associated with intelligent business methods.

At anyrate, leaving aside for the moment the question of the disposal of farm produce, there is, in the reports with which we are dealing a clear consensus of opinion that the American farmer needs, over and above everything else, instruction in improved methods of cultivation. This in no way affects the truth of the assertion that if the farmer were better informed as to the markets for his products he might very often secure better prices for them. What is affirmed is this: that while American farming may have more than one weak point it is really weakest from the point of view of what constitutes sound farming, and that, consequently, it is towards improvements in technical agriculture that the farmer should first direct his attention.

To explain why much of the farming in America is relatively poor farming, and much of it absolutely bad farming, a number of reasons could have to be assigned. We shall refer only to those which are indicated in the reports with which we are dealing.

In the first place the American farmer, ever ready to move on to new lands in his search for an agricultural El Dorado, is constantly trying to farm under conditions of soil and climate which are quite new to him and which he does not in the least understand. As a result, his work for the first few years in a new district is usually a series of unfortunate and costly experiments. And by the time he has become fairly well acquainted with the district, and is farming with moderate success, he probably hears of another new district where land is waiting for the first comer and the opportunities are phenomenal — even for America, — and he takes the trail once more.

Until the present time, free land or at anyrate cheap land has always been available either in the United States or in Canada, and there is still

an enormous territory to be brought into cultivation, so that for a long time to come the difficulty of the new settler will exist. The problem to be solved is how to provide him with sufficient information about the agricultural conditions of the district into which he has moved to prevent his making serious mistakes in cultivation.

The problem is referred to by a large number of the State Commissions. The Idaho Commission reports thus: "The majority of the farmers of Idaho are new settlers. They have had little or no experience with semi-arid agriculture, and in many instances no experience of any kind in agriculture. The mistakes made under these conditions, where they have no counsel and advice, are extremely costly and fatal to their success." Again, in the Oklahoma report we read: "We need a general education of our farmers along all agricultural lines. Fundamental in such education should be information relative to soil and climatic conditions, as practically all our farmers come from States where conditions are different and will not realize the full degree of success from their efforts until they have an understanding of the local conditions."

But the need for technical instruction in agriculture is by no means confined to the inexperienced settler in the newer States. New Jersey is one of the oldest of the States, yet in their report the Commissioners say: "We do not, in most cases, secure the returns from the land which the intelligent and industrious farmer should secure. We fail to conserve the moisture that falls upon the land. We fail to supply the lacking plant food. We fail to adapt varieties of crops to our particular needs. We fail to deal effectively with fungous and insect enemies. In a word we still have much to learn concerning methods of profitable farming."

Enough has been said to show that the people interested in agriculture in America labour under no delusion as to the average quality of the farming there. Fortunately they also see clearly that the standard can only be raised by a well-devised system of technical instruction, and the reports are practically unanimous in recommending that all the existing agencies for providing such instruction should be strengthened and extended. The method of providing technical instruction through county agents or demonstrators is viewed with particular favour by the Commissions. It has already yielded excellent results in various States, for the most part in the South, and is being extended rapidly, — expert advisers being appointed by county authorities (often with some financial assistance from both State and Federal authorities) practically as fast as suitable men become available. The men are drawn largely from the Agricultural Colleges, but the ordinary college course in agriculture needs to be supplemented by some considerable experience as a practical farmer, and by some further study of the economics of production, in order to fit a man for the position of agricultural adviser to a county. An adviser is expected to carry out a soil survey of his district, to make soil analyses, to issue useful general instructions to farmers and at the same time give advice on specific points to individual farmers, to solve problems of farm-

management, to give advice as to the best methods of selling farm produce and, if necessary, to organise and manage a labour bureau.

The farmers' demand for increased help from Federal and State agencies will be met to a very considerable extent by a recent Act of Congress — the so-called "Lever Act" — under the provisions of which a sum of 23,120,000 dollars will be devoted by the Federal Government during the next nine years to the extension of agricultural instruction, on condition that the States contribute in the same period of nine years a further sum of 18,800,000 dollars for the same purpose.

A number of the reports refer to the question of tenancy, and as the matter is always closely connected with the question of methods of cultivation we may deal with it at this point. Tenancy, or to be more precise, the occupation and working of the land by tenant farmers and not by the real owners of the land, is almost universally alluded to in the United States as an evil, though to speak of "the evil of tenancy" is somewhat misleading, when what is really intended is the defectiveness of the existing system of tenancy. The fact that, as things are, rented land in the United States is usually badly farmed land proves no more than that the system under which tenants rent land is on the whole a bad one.

In some cases the real nature of the evil is seen clearly enough. The Iowa Commission, speaking of conditions in that State, say: "The most obvious need is the recasting of the present system of land tenancy. At present 40 per cent. of the farms of the State are occupied by tenants. Most of the leases run for but one year; a few are for three years, and some for five years. This system of short term tenancy is bad for the landlord, worse for the tenant, and worst for the land. The general practice of farm tenancy takes but very little into account the all important factor of retaining or improving the fertility of the land. We need laws, both Federal and State, that will compel consideration of the land in all leases, making it the chief factor of importance, to be followed later by the claims of the tenant and the landlord. We need mandatory laws providing for compensation to tenants for improvement both of the soil and of buildings."

It is clear, therefore that in Iowa at least the members of the Commission recognise that the evil lies in the shortness of the tenancy and in the fact that the tenant has no claim to compensation.

In the report from New Jersey, too, the difficulty is stated in its true terms: "The depletion of the soils of our State has been hastened by lack of wise legislation on land tenure. Under present conditions the tenant is not in any way encouraged to improve his holding. He knows that he is renting the farm for one or two years, or at most for a few years only, and aims to derive as large an income as possible with the least investment on permanent improvements. He has no incentive to adopt methods or rotations that would enhance the crop-producing power of the land. European countries have long recognized the wisdom of encouraging the tenant to maintain the land at a high level of productiveness. It is time that

New Jersey, among other States, gave earnest consideration to legislation on land tenure."

§ 2. IMPROVED FACILITIES FOR THE TRANSPORT AND SALE OF PRODUCE.

In a country like the United States, where producing regions are often at enormously long distances from consuming centres, the problem of providing adequate facilities for transport and sale is constantly making itself felt in one form or another. Occasionally it is a purely material question of providing the means of communication; more often it is a question of finding an economical system of selling to take the place of methods which are regarded as wasteful and inefficient.

There are references in the reports to both aspects of the problem. The need for good roads for instance is insisted upon in the reports from Delaware, Montana, New Jersey, Oregon and other States; the need for organising co-operative selling associations is referred to in a large number of the reports; and several others point out the need for organising associations of consumers in the towns.

It is significant that while the farmers would appear to be satisfied with the existing railway service they feel severely the need for better roads. In fact, railway construction has outrun the development of communication by road, and many places enjoying by rail an excellent service of communication with distant towns are separated from near-by towns and villages by roads which at their best are bad and at their worst are impassable. As a result, the work of hauling produce from the farm to the railway station is rendered both irregular and costly. Nor is this state of things confined to the newly settled sections of the country. New Jersey, long settled and thickly populated, is famed for its good roads, yet the Commission in that State report thus: "Miles and miles of our country roads are still in a deplorable condition and the hauling of farm produce over these roads is a costly undertaking." And again in the Delaware report we read: "Transport facilities include all that is necessary to take the products of the farm to the door of the consumer. This begins with the haul from the farm to the railway or wharf, and, therefore, includes the necessity of good roads. The States need the assistance of the Federal Government, and a liberal appropriation of Federal funds would afford the needed encouragement to the much more general building of permanent roads."

It may be noted here that the demand for better roads is based, not on economic grounds alone, but also, and even more often, on the ground that good roads contribute more than any other single factor to the amenities of country life. Bad roads impede social and educational development by making it difficult or even impossible for the members of scattered communities to meet together for the discussion of matters which affect the common interest and call for common action.

Turning now to the question of reorganising the existing selling methods we find the reports practically unanimous in recommending the form

ation of co-operative selling agencies, but unanimous also in failing to indicate what steps should be taken for their formation or what type it would be advisable to establish. The Commissioners as a rule are inclined to suggest tentative measures only in the direction of co-operative enterprise, recognising that much may still be done by improving, and to some extent regulating, existing selling methods rather than by attempting to abrogate them in their entirety as many enthusiastic co-operators propose. Thus the Minnesota Commission writes as follows: "The policy with regard to forming new organizations should be extremely conservative. For the present, the principal work should be investigational and educational rather than propagandist." Several of the Commissions refer to the need for special legislation to facilitate the establishment and regulation of co-operative societies, and the lack of appropriate legislation has undoubtedly hampered the development of agricultural co-operation in America to some extent.

The Commissioners in New Jersey without committing themselves to the recommendation of any particular type of farmers' organisation are of opinion that great economies might be effected in the cost of distributing farm products if the different parties interested in the problem acted in common. This is a very different proposal from the one usually made, namely, that the farmers should form themselves into associations from which middlemen and merchants would be rigidly excluded. The New Jersey Commission recommend that producers, public carriers, commission dealers and merchants should meet together and discuss plans for promoting the interests of their community. "Neglect of community interests", they add, "is certain to react unfavourably on the individual producer;" and they point out two directions in which common action is calculated to yield beneficial results, - - in establishing public markets and in promoting the formation of consumers' leagues in towns. With reference to the latter movement they say: "Much has already been done in Europe in the organisation of consumers' leagues which secure their commodities from the individual producer or from societies of producers. The possibilities in this direction are well illustrated by an organisation of factory employees in the city of Passaic, N. J. This organisation has been paying co-operatively for a number of years directly from producers, among them the Monmouth County Farmers' Exchange, whose office is located at Freehold."

Upon the whole, the reports show that the American farmer is somewhat diffident of schemes for co-operative production and sale, and that he looks rather to Federal and State institutions to furnish him with information which will enable him to make more intelligent use of the ordinary commercial facilities for the transport and sale of his products.

§ 3. INCREASED CREDIT FACILITIES.

Many of the reports, before discussing the question of providing increased credit facilities, refer to the difficulties which sometimes arise with reference to a holder's title to the land he occupies. The matter is of considerable importance in two ways. In the first place any doubt as to the legality of the titles to land in a particular section of the country is apt to prejudice bankers and the investing public against that section; and in the second place, since the cost of proving a clear title must be added on to the cost of any loan raised on the land itself, it is to the interest of the farmers that the system of land registration be as simple and inexpensive as possible.

Here again it is to be observed that the difficulty is not one which is peculiar only to the more recently settled States. It is referred to in the reports from Oklahoma, Idaho and Oregon, but also in those from Connecticut and Georgia.

The Oklahoma Commission says: "Until a short time ago the restrictions on Indian lands made it difficult for a white man to get a clear title to a farm. Even now so many complications have arisen over transfers of titles that it is often an expensive matter to prove a clear title." In the Oregon report, we read: "Steps should be taken to secure compulsory uniformity of land registration and State guaranty of titles. Some system upon the Torrens plan of land registration is necessary to cheapen the transfer of property and secure simplicity and safety in pledging land as a security for credit." In Idaho the difficulty arises in connection with settlers under the so-called "Carey Act," who have to fulfil certain conditions as to residence before they are granted a definite title to their land. Until all the conditions as to residence are fulfilled these settlers are unable to borrow anything on the security of their holdings. The Commission says: "Some means must be devised whereby settlers on Carey Act projects may receive early title to their lands, so that they may be enabled to give some security for borrowed capital, which they must have in order to develop their property and make payments on their water rights." The Connecticut Commission, speaking of the proposed to create a land mortgage institute of the *Landschaft* type, says: "If this were to be done, a simplification of our methods of land registration and the adoption of something like the Torrens system would be needful and there would be need of further simplification of our customary foreclosure proceedings."

Turning now to the evidence as to the need for furnishing special credit facilities for agriculture we find, as has been found in the course of every enquiry made in the United States, that the financial position of the farmer as a class varies widely from one district to another. While on the one hand in North Carolina, the average farmer "either has no credit at all or is compelled to use such form of high priced credit as he can obtain from

the merchant," and in New Mexico, "the average rate of interest paid by the farmer on short time loans exceeds 12 per cent. and he has great difficulty in getting money sufficient for his needs;" on the other hand in the older rural districts of Wisconsin, "money for development purposes cheaper than it is in the cities", and in Minnesota, "there seems to be no discrimination against farmers and in favour of local merchants in the matter of interest rates on short time loans."

In Arizona the Commission reports that, "It is usual almost everywhere for commercial agencies to take advantage of the needs of the farmers and either force him to sell his products at a disadvantage or to borrow money at excessive rates of interest, or under conditions fraught with peril to himself." The Texas Commission finds that, "The State needs improvement in the credit and financial facilities now at the command of the farmer;" and the Utah Commission that, "The State needs a quicker and cheaper supply of money for farm loans."

The evidence from Connecticut is to the effect that the facilities for the farmer for long term credit in that State may be considered "fairly adequate", except that the gradual extinction of the loans by amortization payments is practically unknown.

Naturally, the recommendations of the different State Commissions as to what steps should be taken in the matter of providing additional credit for agriculture, also vary widely. Some of the Commissions declare unhesitatingly in favour of the establishment of some form of co-operative credit institute, — mortgage banks with bond issuing powers for the provision of long term credit for land purchase and permanent improvements, and co-operative credit unions for the provision of agricultural credit as distinguished from land mortgage credit. Others seem to be of opinion that upon the whole the business of providing credit can safely be left to ordinary banks and private companies (*e. g.*, life insurance companies) which have large sums to invest. As a rule the Commissions which consider that additional facilities are required make no suggestion as to type of credit institute which it is desirable to encourage in order that such facilities may be provided.

It is interesting to note that the plea for greater facilities for obtaining long term loans upon favourable terms of repayment is usually made in the interests of the tenant class. Thus in the Minnesota report, we read: In the discussion of this subject we believe that the tenant farmer has not received sufficient attention. The inefficient renter, who shifts from one locality to another, perhaps deserves to be left out of account. We believe, however, that under the present conditions of high land values, it is difficult for the industrious and efficient tenant to acquire ownership of land, and that a system of long time loans with an amortization feature would be a distinct benefit to such renters." The Mississippi Commission is in favour of establishing some form of land mortgage institute with power to issue bonds on the ground that this system "would furnish investments for those who are now absentee landlords and allow the purchase of their land by the tenants."

The Washington Commission favours the creation of a mortgage credit institute on the lines of the German *Landschaft*. The West Virginia Commission, on the other hand, believes that in any endeavour to improve credit conditions attention should first be concentrated upon banks, trust companies, building and loan associations and other established financial organisations. The single Commissioner who reports on the needs of Oklahoma says: "Much is said about credit systems and about high rates of interest charged to farmers. In my opinion this matter will adjust itself when farmers farm in such a manner as to accumulate a surplus sufficient to improve and stock their farms. Interest rates are subject to an economic law of supply and demand, and when the security which the farmer gives the banker is improved rates of interest will fall. I do not believe this matter merits a special attention." In Kentucky the Commission does not think the European systems of land mortgage credit could be successfully introduced into the United States where there is a shifting population, and when, in addition, the strongly individualistic temperament of the average farmer would prove a serious obstacle to their smooth working. In Connecticut, as we have already noted, the existing facilities for long term credit are considered fairly adequate.

With reference to the provision of short term or personal credit to enable the farmer to meet the annually recurring need of his business there is like diversity of opinion in the reports of the Commissions. The Georgia Commissioners say: "We believe that short term, cheap, safe and elastic credit can be secured by our farmers by the organising of rural communities into co-operative credit unions", and the Iowa Commission is in favour of the introduction of co-operative unions of the Raiffeisen type. But the Connecticut Commissioners say: "It seems to your Committee that the credit facilities of Connecticut are already of such a character that a wide extension of their use would go far towards meeting the needs of the people and that it is doubtful whether credit unions of the Raiffeisen type would find congenial soil among our farming population, especially if these unions were characterized, as is usual, by the unlimited liability of the members. The Oklahoma Commission is more emphatic in its opinion, and says in its report: "Easy and cheap credit seems to be the panacea generally recommended for all agricultural troubles. It is true that the condition of the peasants in a number of European countries has been improved by the personal credit system, but their whole foundation of agricultural conditions differs so absolutely from what we have here in Oklahoma that the adoption of such a system by us is, so far, out of the question."

It is a fact worth noting that throughout the reports it is never suggested that the duty of financing agriculture is one which devolves upon the State. The Commissions, as we have already seen, do not hesitate to recommend that public money should be devoted on a generous scale to agricultural schools and colleges and to all the various agencies for the improvement of technical agriculture. They are in favour of State aid for the improvement of country roads, for the provision of schools in rural districts and, in a word, for the support of any scheme of obvious public utility.

material or moral. But they do not propose that the State should provide additional capital which American farmers need for the better organization of their business.

§ 4. IMPROVED SOCIAL CONDITIONS.

It is admittedly impossible to separate entirely the question of the improvement of social conditions in the rural districts from that of the improvement of the economic position of the farming class. But neither is it true that social conditions are determined solely by economic conditions, and it is at least convenient, and at the same time adds something to clearness, to examine the former under a separate head.

A number of causes have combined to make life in the small villages and in the open country somewhat hard and dreary. This is true even of rural life in New England and in other long settled regions where towns are comparatively numerous and the means of communication are relatively good; but it is true especially of the life in the farming districts of the Central and Western States where the distances to be travelled for purposes of business or pleasure are great and communication is made more difficult by the absence of good roads, where very few of the comforts and amenities of life are to be enjoyed, where there is but little social interest and the community spirit is practically non-existent. Under such conditions it is not to be wondered at that the young people find life in the country irksome or that the older people move into the towns as soon as their means will permit them to give up working on the land.

The Commissions are practically unanimous in recognising the fact that life in the country leaves much to be desired. They urge, in the first place, the need for better educational facilities; in the second place, the need for increased opportunities for recreation and amusement. The New Jersey Commission writes thus: "By establishing agricultural courses in our public schools, by providing better trained teachers, by reorganising social activities we shall lay the foundation for systems of education dealing directly with the individual and directly with problems that need solution." The Illinois Commission writes to the same effect: "Better school conditions demand the attention of the State and we suggest the necessity for a new State law providing for the modernisation of country schools and the introduction of vocational courses of instruction."

It is a very common complaint of the farmers that the teachers in country schools are not only, in general, poorly trained for their work, but are, moreover, usually out of sympathy with rural life. This is undoubtedly true, in spite of the fact that there are numerous notable exceptions; and the reasons are not far to seek. Country schools as a rule are small, ill-equipped and badly supported financially. School governors, having appointed a teacher — in the majority of cases, it must be noted, for the period of perhaps six months during which the school will be open and for

no longer — too often take no further interest in the fate of either school or teacher. Naturally, under these conditions, very few really able men or women can be attracted into the service of rural schools.

The matter is a serious one and the demand for better schools is every day becoming more insistent. There is a very pressing need for additional training colleges for teachers in rural schools, and there is a movement on foot (at present unfortunately not very widespread) to consolidate a number of small rural schools into one efficient, well-equipped district school. It is rapidly being recognised, too, that a well organised school has a very wide field of usefulness open to its activities and is capable of serving as a social and educational centre for the whole community. The schoolmaster in a rural neighbourhood is in one sense in a privileged position. He can initiate schemes for the better organisation of the economic or social life of the community without running the risk of being accused of having interests of his own to serve, and he may fairly expect to be supported by everyone who has the well-being of the community at heart.

For this reason, among many others, the awakening of public interest in rural education may fairly be regarded as a fact of profound importance, full of promise for the future of rural America.

RUSSIA.

HOME COLONISATION IN SIBERIA (1) IN 1913

§ 1. GENERAL PROGRESS OF STATE DIRECTED COLONISATION.

The readers of our Bulletin already know (2) that the colonisation of the immense desert tracts of Russia beyond the Ural Mountains was one of the chief features of the extensive programme of agricultural reform initiated in 1906 by the Ministry presided over by the late P. A. Stolypin. The suppression of the former system of collective ownership on the part of the "mir" and the purchase of land through the medium of the Peasants' Bank not sufficing, in spite of improved methods of farming, to satisfy the demand for land among a population that in the natural course increases so rapidly as the Russian, it became absolutely necessary to settle the superabundant peasants who had no land in districts outside of European Russia. It was principally with this view the systematic colonisation of Russia in Asia was organized by the State.

The measures taken by the Government to encourage and promote his colonisation belong to two different systems. On the one hand, the "General Colonisation Department" (Переселенческое Управление), founded for the purpose at Petrograd, undertook to explore, classify, settle the boundaries of and "prepare" the land suitable for colonisation on scientific lines. On the other, a whole series of special facilitations were accorded by Decree to all settlers in the Transural regions.

Of course these two systems were to work simultaneously and complete each other. The organisation of the holdings was to correspond with the number of emigrants, to none of whom was to be assigned land that was not sufficiently prepared in regard to the fixing of the legal boundaries, irrigation, clearing, roads and the principal requirements of ordinary life. But, actually, things took quite a different course.

A succession of bad harvests, the agrarian disorders of 1906 and 1907 in European Russia, the excessive facilitations granted at the first to emi-

(1) Including the "Region of the Steppes" and some parts of Turkestan.

(2) See article "General Outline of the New Russian Land Reforms" in the numbers of this Bulletin for November, 1913 and January, 1914.

grants, and other circumstances it would take too long to enumerate here, gave an absolutely unexpected incentive to emigration to Siberia. From 46,000 and 44,000 in 1904 and 1905, the number of emigrants increased to 217,000 in the first year in which the land reform came into force (1906), and by a bound reached in the next year 577,000 and at last attained the enormous figures of 759,000 and 707,000 persons.

With so extraordinary and unexpected an invasion, the General Colonisation Department of course found itself quite unable to cope. In spite of a very considerable increase of its funds, and the admirable energy exhibited by all its numerous staff, it was soon quite materially impossible for it to prepare the number of holdings indispensable for the ever rising flood of emigrants.

The Government had to take energetic measures to check the influx of colonists, thousands of whom, indeed, who had started without reflection and without any of the qualities required for a good colonist, already discouraged, asked to be sent home. The facilitations, too liberally granted to the emigrants in the earlier years, were reduced; a more severe examination of the colonists applying instituted and, other circumstances being favourable, finally the invasion could be checked. In 1910 the total number of emigrants to Siberia decreased to 310,000 and the next year it did not exceed 226,000. The General Colonisation Department could breathe a little, and the natural proportion between the land prepared and the number of colonists provided with lots for cultivation could be re-established.

In 1912 there was again a slight increase in the immigration to Siberia, the number of new comers amounting to 259,000, but the Colonisation Department is now master of the situation and the land prepared sufficient not only for the requirements of the new comers, but also for the provision of large reserves to meet future demands.

In 1913, for which the first statistical summaries have just appeared, the increase of immigration was further marked and to a considerable degree. The total number of new comers was 327,500. But as we shall see, the preparation of the holdings for immediate colonisation has increased in even larger proportion and the Government is in a position not only to reduce some of the credits granted for the purpose, but also to use the savings for the extension of its work of organization preparatory to colonisation in new districts, not yet included in the colonisation areas.

It was time this last result was reached. In fact, the land traversed by the great lines of communication, railways, roads or rivers, is already overstocked with colonies. To render possible a further influx of immigrants, and direct their course towards those regions it is most important to secure for European colonisation for purposes of commerce or industry, the security of the frontiers of the Empire, it is first of all necessary to open up these countries by means of new lines of communication. This is the most urgent problem the future calls for the settlement of, so that the may be a further extension of colonisation in the regions still unoccupied.

But let us leave the future and return to the work done in 1913.

§ 2. LEGISLATION AND REGULATION OF COLONISATION.

The gradual and continual increase of economic activity in the regions of comparatively old colonisation has given rise in these regions to a whole series of new problems, the solution of which has necessitated considerable legislative action on the part of the Government authorities. The rights of ownership, lease or usufruct, granted often too hastily to the colonists at their first establishment, had to be reconsidered and at last no longer given. Special measures have had to be taken to encourage the formation of large and medium sized holdings. The progress of livestock improvement rendered the regulation of pasture land and steppes necessary. Hamlets and towns, commercial or industrial enterprises have arisen where formerly there were only "tundras", and here also it was necessary to legislate and regulate. Land formerly unproductive has been gained for agriculture by means of remarkably expensive irrigation works, such as the construction of the Galitzin and Woronzoff canals in the Muchensk steppe (1) and the great Romanoff canal, not yet completed, in the "Hunger Steppe" (2). It was necessary to regulate the colonisation of this land so as to ensure that its cultivation should be in proportion to the high price of the land thus conquered from nature. Everywhere, finally, from one end to the other of the immense territory, the most various measures must be taken with a view to the improvement of the general conditions of life of the colonists.

Among the legislative and administrative acts of every kind to which the solution of these various problems gave rise in the year 1913, let us mention quite specially those relative to the following matters:

Extension to any Russian subject of the rights and privileges of emigrants in the Transural provinces, up to the present reserved to certain social classes only.

Opening to colonisation of large areas in the "Hunger Steppe" (Province of Samarkand), along the sections of the Romanoff Canal already finished. Opening to colonisation of a large part of the Imperial domains in the district of Nerchinsk.

Grant of full ownership to the colonists established there as simple tenants of numerous areas of Crown Land in the provinces of Amur and along the shores of the Pacific Ocean.

Preliminary measures for a general readjustment of the holdings belonging to the Cossacks of Semiryetchensk so as to liberate for colonisation large areas of cultivable ground.

(1) See the article, "Home Colonisation in the Caucasus from 1908 to 1912", in the number of this Bulletin for October last.

(2) In the province of Samarkand.

Grant of various facilitations for the encouragement of the establishment of commercial and industrial undertakings in towns and rural centres.
General regulation of leases and pasture land.

New conditions in regard to credits granted to immigrants on the first establishment.

Transfer of 1,000,000 roubles to the "Alexander III Fund" for the satisfaction of the religious requirements of the colonists.

Various measures for combating the use of opium in the provinces, the Amur and the Pacific coast etc.

§ 3. DELIMITATION AND GENERAL READJUSTMENT OF COLONISATION AREA

If from the domain of legislative and administrative measures we pass to that of the material work executed in the course of 1913 on the initiative of the General Colonisation Department, it is incontestably the preparation of the land that first deserves our attention. Let us distinguish here between the scientific delimitation with the object of establishing the rights of ownership, the general preparation with that of rendering the soil fit for cultivation and the special measures intended to render the land made fit for cultivation habitable by the colonists.

The final operation of the scientific delimitation, or the division of the land already prepared in other respects into individual holdings, with the help of surveying and the marking off of boundaries, was carried out on a total area of 2,300,000 deciatines (2,320,000 ha.) (1). Remarkable as was for its cheapness — the total cost did not exceed 1,000,000 roubles — the considerable work was still more remarkable as regards the area of the holdings which were surveyed and for which the boundaries were fixed in a single year. The rapid progress of the work is indeed one of the most characteristic features of the surveying carried out in Transural Russia. To arrive at a precise idea of it, it will be enough to point out that in the course of the last three years alone (1911, 1912 and 1913), the total area surveyed and marked off under the direction of the General Colonisation Department attained the considerable size of 6,000,000 deciatines, equal to the united area of Belgium and Holland.

As regards the first delimitation of the still unoccupied land, it was already possible in 1912 to reduce the amount of this land, with the help of the reserves available from previous years, by nearly 50% of the amount it had in 1911, or from 3,000,000 to 1,600,000 deciatines. In 1913, the course could be continued and the reduction of the amount of work of this kind still to be done intensified. The original delimitation of uncultivated land was restricted to an area of 1,107,000 deciatines; 684,000 deciatines were intended for collective colonisation and the other 423,000 deciatines for individual colonisation.

(1) 1 deciatine = 1.09 ha.

The saving realised by these important reductions of the the work of preparation in the regions of future colonisation of especially agricultural character have permitted the attempt, made for the first time in 1913, of preparing colonies intended especially for forestry industry in the celebrated "taiga" of Siberia. In accordance with the general rule of only undertaking specially expensive works of preparation in important districts or with a view to the security of the frontiers or in consideration of mineral or other exceptional resources, for the attempt in question an area of 10,000 deciatines of the "taiga" of Mariinsk in the province of Toinsk has been taken. It was necessary to construct more than 140 versts of roads only to make this remote region accessible, where twenty five forest colonies have been delimited, their boundaries fixed and the colonies organized in advance.

Among the other delimitation undertakings of the surveyors of the General Colonisation Department, let us mention the division and marking off of 80,000 hectares of lots for individual colonisation in districts not yet occupied in the older colonisation areas, the delimitation, surveying and marking off of 340,000 deciatines already occupied by immigrants from the European provinces, the organization in advance of 778,000 deciatines to be assigned to Kirghiz nomads who desire to settle as farmers, that of 1,108,000 deciatines of various holdings, finally, intended to serve as colonisation reserves (the greater part) or, for the establishment of special commercial or industrial undertakings in places most suitable for such enterprise.

To the above measures must also be added those taken by the General Colonisation Department with a view to the readjustment of the holdings belonging to the "local population", that is to say to Russians established in the country before State colonisation was begun or to native inhabitants of the various races and nationalities that occupy these immense regions. These measures, up to the present consisting only in a series of preparatory operations in view of a definite readjustment to be carried out gradually, affect a total area of 4,500,000 ha. and cost in 1913 alone altogether more than 1,000,000 roubles.

§ 4. MEASURES FOR THE FACILITATION OF THE CULTIVATION OF THE LAND.

With the object of facilitating the cultivation of the colonisation areas, the General Department has taken steps with a view, in the first place, to rendering the holdings easily accessible, and, in the second, to draining or irrigating, according to circumstances, and finally deforesting the land, when the colonists could not do it by their own efforts.

The special credit annually granted for the construction and maintenance of roads in the various regions of colonisation increased from year to year; in 1913 it had become 4,500,000 roubles. With this large amount it

was possible to construct 2,172 versts (1) of wagon roads, and complete 2,011 versts, the construction of which had been commenced in previous years; to plan and begin the construction of 4,900 new versts and finally to repair and keep in order 8,328 versts previously constructed. This credit serves also for the maintenance of communication by river between certain colonies of West Siberia, for navigation between other colonies on the Pacific coast, and finally for the organization of regular goods traffic by motor car in the Kulundin steppe.

The hydraulic engineering work carried out under the instruction of the General Colonisation Department cost 2,000,000 roubles in 1913. It included chiefly the study of about 5,000,000 deciatines colonised or to be colonised, from the point of view of the water supply, the sinking of 2,116 wells in various colonies and the construction of 24 reservoirs for irrigation purposes, and finally in the establishment of a large system of canals for drainage or irrigation of areas to be colonised.

Let us here observe that the work of road construction as well as of irrigation, carried out at the suggestion of the General Colonisation Department, represents comparatively only a very small portion of the work of this class carried out in the colonisation areas. The principal part is taken by the State, in so far as the great lines of communication are concerned, and the Land Improvement Department, as regards hydraulic engineering work of general interest, and to the Colonisation Department is left only the essentially local work, exclusively intended to meet the requirements of the areas under its control.

The special credit for deforestation and extirpation of plants in the agricultural colonies in the "taiga" region only dates from the year 1912. In the year with which we are concerned it was used for the clearing of large areas at an average rate of 1.43 roubles per deciatine. Work of this nature has been for the most part (58 %) done by the population itself, under the guidance of the employees of the General Colonisation Department. It is only in colonies, where the population is not yet sufficient, that it has been altogether carried out by workmen employed by the General Department and at its expense (42 % of the areas cleared). To hasten and facilitate the deforestation of the agricultural colonies of the "taiga" districts in the provinces of the Amur and the Pacific coast, the General Department in 1913 established three large sawmills in those districts. A large workshop for manufacture of forestry produce generally has also been established in the Province of Irkutsk.

§ 5. MEASURES FOR THE WELFARE OF THE COLONISTS.

Among the measures for the advancement of the material, moral and intellectual welfare of the colonists, we must in the first place mention those

(1) The Russian verst is equal to 1.067 km.

the object of which is the organization of a sufficient and regular sanitary service in the colonisation areas.

The special credit granted for this purpose increases annually in very notable proportion. In 1913, for example, it amounted to 4,732,000 roubles, exceeding the amount for 1912 by 287,000 roubles. The chief lines along which colonisation penetrates being now provided with a comparatively satisfactory sanitary service, attempt is being made to extend the same to regions more remote from these lines. Thus, it is exclusively in remote regions that the 20 new medical stations instituted in 1913 have been established. With these included, the medical service for the whole colonisation area of Siberia on January 1st., 1914, consisted of 140 doctors and 30 health officers at 445 medical stations.

Further to encourage and facilitate the recruiting of this staff, which is now a very difficult matter, a law of June 28th., 1912, instituted special bursaries to enable young Siberians, or, in default of them, young people from any part of the Empire, to attend the university courses or other schools of medicine free of charge, on condition, of course, of serving a certain time in Siberia, after they have obtained their diplomas. The total amount of these bursaries in 1913 came to 12,600 roubles.

With the object of facilitating as far as possible the establishment of the colonists, always a very expensive matter, above all in countries so remote and so destitute of good means of communication, a whole system of loans for initial establishment on exceptionally favourable conditions has been instituted. In 1913 loans of this kind had been granted to 33,485 families, 62 % of all those that had crossed the Urals in the period in question. The total amount of these 33,485 loans was 4,260,801 roubles, giving an average of a little more than 127 roubles per loan. If to the above amount we add that of the loans granted in a similar way to the colonists who had arrived in the country before the commencement of the year, we obtain a general total for all loans for initial establishment in 1913, of 5,683,670 roubles or about 20,000,000 francs.

In addition to the measures we have spoken of, the General Colonisation Department assigns, either under the form of loans on favourable terms or under that mainly of subsidies properly so called, considerable sums for the foundation and maintenance of institutions for the satisfaction of the moral and intellectual requirements of the colonists. The total amount of these sums has increased year by year: being 613,965 roubles in 1909, 879,935 roubles in 1910, 899,020 roubles in 1911, 1,888,370 roubles in 1912, and 2,574,581 roubles in 1913.

Most of this money is generally spent on the construction and maintenance of churches and schools. In 1913, for example, the General Colonisation Department assigned for the purpose 1,344,638 roubles which, however, was only about 61 % of the total amount spent in the year on Churches and Schools. The rest was supplied by contributions made for the same end by the Holy Synod, amounting to 354,700 roubles, the Department of Public Education, amounting to 411,278 roubles, the local administrations, amounting to 72,700 and, finally, various institutions of public utility and

many private individuals, coming altogether to 16,322 roubles. However no account is taken in this list of the amounts granted in 1913 by the Holy Synod for the special object of the maintenance of the clergy and servants of 125 parish churches and chapels built in Siberia in 1912.

With these abundant subventions from public and private sources it was possible to build in the whole of Transural Russia, in the year in which we are concerned alone, 169 churches, 67 large and 159 small chapel 83 elementary schools dependent on the clergy and conducted by them and, finally, 510 public schools dependent on the Department of Public Education.

§ 6. VARIOUS MEASURES FOR THE EXTENSION OF COLONISATION.

In 1913 the development of agriculture properly so called was assisted by the grant of subsidies of a total amount of 246,348 roubles. The subsidies were given either for the establishment of model farms, or for the encouragement of the introduction of new crops or improved methods of farming.

Desiring to encourage the tendency, which has become marked from year to year, of the older colonists to pass voluntarily from the system of collective property held by the "mir" to that of individual ownership in order to facilitate the work of readjustment necessitated by the change, the General Colonisation Department placed at the free disposal of the colonists a whole staff of surveyors and experts instructed either simply to direct and supervise the work done by the peasants themselves, or, at their request, to carry it out for them at the expense of the State. The expenditure in this connection amounted in 1913 to 983,615 roubles.

By way of a preliminary study of the regions not yet included in the colonisation areas, fifteen scientific expeditions in 1913 explored a total area of 25,000,000 deciatines (27,500,000 ha. or nearly as much as the entire area of Italy), ascertaining that about one fifth of the area thus studied was adapted for profitable agricultural colonisation.

One of the most effective measures taken by the General Colonisation Department, with a view to the encouragement of the extension of modern methods of farming among the colonists, was the institution, in all the most important centres of the colonisation areas, of government storehouses for the provision of the local population with agricultural machinery and implements at low prices, as well as with chemical manure, tested seed and other farm requisites of the first necessity. On January 1st, 1913, the total number of the storehouses of this kind was 253. During the year it increased to 277. And the work of the official storehouses was further completed by an agreement entered into between the General Colonisation Department and the various local credit societies, in accordance with which the latter undertook to do the work of the official agricultural machine and produce storehouses in all places where there were none of these latter.

The total amount purchased by the local population from these storehouses in 1913, 7,500,000 roubles, was less than in the preceding year, but this purely accidental decrease was due primarily to the bad harvest of rye in 1913. This is seen from the fact that the decrease was only in the purchase of mowing machines, whilst in the case of all other machines, as well as in that of seeds and chemical manure, there was, on the contrary, a considerable increase both in the quantity purchased and the amount. Let us also observe that the carefully organized competition of the Local Credit Societies has necessarily had a certain effect on the business of the official Storehouses (1).

Let us finally say that in 1913 the sphere of action of the agricultural storehouses of the General Colonisation Department was considerably extended by their being entrusted with the work of constructing and administering the elevators, the institution of which in various places in the province of Tobolsk and the territory of Turgaisk was decreed, the expenses to be paid out of the special State fund.

Among the other measures adopted by the General Colonisation Department for the welfare of the colonists, one of the most beneficent was the institution in the provinces of the Amur and the Pacific coast, where private commerce has as yet made very little progress, of a certain number of warehouses for the provision of the population of those remote regions with the articles of greatest importance for their every day life. Placed, at the beginning of 1910 under the management and supervision of the State Agricultural Storehouses Department, these warehouses have rendered invaluable services, while their business from a commercial point of view has been excellent. In 1913 there were 43 of them and the total amount of their sales came to nearly 1,000,000 roubles or 140,000 roubles more than in the year before, although there was no increase in the number of warehouses in 1913.

That year was also characterised by a most remarkable increase in the forestry warehouses established by the General Colonisation Department in the most thickly wooded districts of Siberia. This was due to the annually increasing demand of the colonists in the steppes for wood for building purposes, as in the steppes there is no wood at all. In 1912 the total amount of the various kinds of produce sold by the forestry warehouses was 532,000 roubles, giving a net profit of 50,000 roubles. In 1913 the amount of the sales increased to 1,113,000 roubles and that of the net profit to 150,000 roubles.

Let us observe that this increased activity in the exploitation of forests has largely benefited the colonists in the neighbourhood of the warehouses. Those of the forest district of Tarsk, to give only one example, gained as labourers in the service of the warehouses 144,000 roubles altogether, or 49,000 roubles more than in the preceding year.

(1) The statistics at our disposal, unfortunately, give no information in regard to the business done by the credit societies in this department.

At the beginning of 1913, the forestry warehouses of Siberia had only one machine sawmill, at Omsk. In the course of the year a second was completed at Akmolinsk. It was already working in the last four months of the period. A third sawmill, also in the Akmolinsk district, was nearly completed. Finally, in the Government of Irkutsk the building of a large workshop has been commenced. It will serve for the most various branches of wood manufacture. It is to be foreseen that these buildings, all due to the initiative of the General Colonisation Department, will contribute to the further increase of the utilisation of the inexhaustible wealth of the Siberian forests.

Partly to make up for the total lack of building material in some regions and partly to encourage the colonists in the use of building material of a less inflammable nature than wood, the General Department founded three large tile works in Siberia between 1910 and 1912. In 1913 it built two more, both capable of producing 600,000,000 tiles a year. The effect of these tile works has been considerable, as appears from the fact that in 1913 they sold more than 1,000,000,000 tiles or more than twice the amount sold in the preceding year.

§ 7. STATISTICAL STUDIES AND ADMINISTRATION.

In 1913, as in previous years, the General Department devoted considerable attention to the preparation of detailed statistics of colonisation. In this field quite special attention was given to the distribution of land according to the nature and quality of the soil, the kind of tenure and crops, as statistics of this kind are specially important for the preliminary work of land organisation and readjustment.

In regard to agricultural statistics properly so called, let us mention an important modification in the organization of the collection of the statistics. Abandoning the method hitherto followed of collecting them with the assistance of the local authorities, the General Colonisation Department has decided henceforth to entrust very numerous special correspondents, engaged by it even in the remotest hamlets, with the duty of informing it by means of answers to lists of questions specially drawn up by the Department itself.

In the year with which we are concerned, the General Department succeeded in satisfactorily completing a very extensive statistical study of the land of the Semiryetchensk Territory and the provinces of Turkestan proper. The practical results of this work were of the greatest importance. Amongst other things it was ascertained that a scientific distribution of these vast areas, while leaving the Kirghiz natives free use of the whole extent of land they can reasonably require for their nomadic life, would still place at the disposal of the State an area of 1,652,000 deciatines (1,670,000 hectares) of cultivable land of the best quality, which would form a very valuable addition to the quantity of land fit for colonisation.

Let us further note that the sphere of action of the general statistical office of the Empire, which up to now did not include Transural Russia, as extended in 1913, by way of trial to the six Siberian provinces of Turinsk, Akmolinsk, Tobolsk, Veniseisk, Tomsk and Irkutsk. The results obtained have been most satisfactory and such as encourage the expectation that there will be a further extension of the field of this important office so as to include in it all the provinces of Russia in Asia.

In spite of the constant increase of the activity of the General Colonisation Department it has been able to keep the expenditure for its internal administration remarkably low. Compared with that of the previous year, the expenditure for 1913 showed only an increase of 35,000 roubles. And this increase even was entirely due to two undertakings of a strictly occasional and extraordinary nature: one, the building at a cost of 15,000 roubles of an office for the local Colonisation Department in the Amur Province, and the other a contribution of 20,000 roubles, towards the completion and printing of the splendid "Atlas of Russia in Asia", published in 1914, under the auspices of the General Department.

The space at our disposal does not allow of our giving details of the expenditure on the work of the General Department that is to say on colonisation itself. Let us confine ourselves to the statement that in 1913 it reached the total amount of 27,284,323 roubles (72,285,000 frs.), 1,022,705 roubles more than in the preceding year.

§ 8. IMMIGRATION TO TRANSURAL RUSSIA IN 1913.

As above said the year 1913 was characterised by a very considerable increase in the total number of immigrants to the various provinces of Transural Russia. From 259,000 in 1912, the total registered at the frontier stations of Cheliabinsk and Sysrinsk increased in 1913 to 327,430, that is by 26.25 %.

This increase is largely due to a renewal of the movement in the direction of emigration to Siberia among the inhabitants of the Agricultural Provinces of Southern European Russia, while the emigration from these provinces had been considerably reduced, owing to the bad harvest of 1911 in the westernmost provinces of Transural Russia. In fact the largest contingents of emigrants to Siberia were furnished by the following provinces of European Russia; Kherson (17,700 persons), Yekaterinoslav (16,700), Olta (12,800), Taurida (10,800), Vyatka (10,700), Tambov (10,500), Zhitomir (10,300) and Kharkov (10,000). This large contribution of the provinces of the South of the Empire meant an exceptionally large number of colonists for the steppe region of Russia in Asia in 1913, as the natural characteristics of that region present resemblances with the southern provinces of European Russia which render it particularly adapted for colonisation by their inhabitants.

The districts which, after the Steppe region, attracted the largest number of emigrants in 1913, were the provinces of Tobolsk and of the

Amur. One of the principal reasons for the preference for these provinces was doubtless the construction in the first of the Omsk railway, and, in the second, of the important Amur railway, both of which undertakings will be of the greatest service for the economic development of the countries through which they pass, while the construction of the railways has itself given employment to thousands of immigrants.

One of the characteristic features of the immigration of the year 1912 was the very considerable decrease in the number of "independent" immigrants, those colonists, that is to say, who come to Siberia on their own initiative, with no plan for their establishment made in advance, without profiting by the facilities accorded by the Government to the regular colonists and, most frequently, without sufficient funds. The colonists of this class, the influx of whom into regions, in which the lack of unoccupied land is beginning to make itself felt, greatly hinders systematic colonisation on the part of the State, and who often can find neither land to cultivate nor employment, formed in 1912 45.3 % of the total number of immigrants. In 1913, however, the proportion decreased to 35 %.

The number of those who, being discouraged, for one reason or another renounced the colonisation of Asia to return to Russia in Europe, has also considerably diminished. In 1912 they were still 34,783; in 1913, on the other hand, there were in all only 22,743 registered.

Let us further add that in the figures given above no account is taken of about 35,000 "temporary" emigrants, for the most part agricultural who, profiting by the tariff and other facilities granted to immigrant colonists and extended by the Government to seasonal labourers, emigrate to various provinces of Transural Russia, either to seek employment at harvest time or in the various works of road or railway construction.

Before going further, let us give an idea of the general principles laid down to ensure the regular development of the colonisation of the Transural Provinces and above all of the recruiting of colonists on systematic lines. On the one hand, attempt has been made as far as possible to reduce the possibilities of disappointment of the colonists owing to their starting with illusions in regard to the conditions of life in Siberia, or without sufficient money or the qualities required for success in their new life in these distant regions. On the other hand, an attempt has been made to give the General Department founded for the purposes the means of directing regulating and systemising the colonisation. To attain these two ends the following systems have been established, accurate conformity with which will alone give intending colonists a right to all the facilities granted by the Government to the emigrants.

When families or groups of independent persons desire to establish themselves in Siberia, they elect from among their members a "chodok" (delegate messenger, from the Russian verb *choditi*, to go, to betake oneself some where), whose first care is to obtain all the personal and economic information required in regard to his electors in accordance with the instructions contained in a Vademecum, abundant copies of which are annually issued by the General Colonisation Department. When this

ne, the "chodok" puts himself in relation with the local authorities of the place of residence, who instruct and advise him in every way that may be profitable for him. They also furnish him with a special passport for his journey under conditions of exceptional favour to the place agreed upon for the projected settlement in Siberia (1). Arrived at his destination, the chodok studies the local conditions quite at his ease, passing if need be from one place to another, always assisted by the local agents of the General Colonisation Department, until he finds what suits him. Then, he secures, in agreement with the local authorities, the number of individual colonisation lots he requires (2), after which he is free, either to return to Europe to seek electors, or more simply to send them the note of the lots selected, with which, they, in their turn, may undertake the long journey under the favourable conditions above mentioned. The engagement of the lots by the chodok is valid for a year or two, which enables the future colonists tranquilly to settle their affairs in the old country without any hurry, before starting their new home.

Naturally, no one is obliged to follow the above course. Many peasants who have already friends or acquaintances in Siberia get them to secure lots for them and go at once to the spot (3). And we have seen above that a number of absolutely independent immigrants who come at their own risk with no plan settled in advance and insufficient preparation is still considerable. But of course the Government, very justly desiring to limit far as possible this last class of irregular immigrants it finds very em-

(1) To give the reader an idea of the really exceptionally cheap conditions granted to the "chodoks" and the emigrants to Siberia, according to the rules laid down for official colonisation, we give below, by way of example, the railway rates from the town of Minsk to various places in Siberia.

Place of Destination	Distance in Versts	Price of Ticket in Roubles	Charge for Extra Luggage per pound (16 $\frac{3}{4}$ kg)
Kharkov	2,605	4.05	0.26
Sk	3,351	4.95	0.34
Novosibirsk	4,645	6.85	0.46
Yekaterinburg	5,653	8.25	0.57
Chelmsk	6,994	10.15	0.70
Novotok	8,497	13.47	0.85
Barovsk	9,015	14.17	0.90

Let us add that, for the convenience of immigrants, 58 special restaurant cars have been engaged, in which the colonists receive on their journey a warm breakfast for the ridiculously low figure of 4 kopecks (10 $\frac{1}{2}$ centimes), although the cost price of this breakfast is really nearly twice as much.

(2) The individual "lot" which varies in size according to the quality of the soil in each case, is the area sufficient for an agricultural labourer to make a living out of. Every family has a right to as many lots as it contains adult male persons capable of working.

(3) They have a right to the same reduced tariff as the colonists who have secured lots through a chodok.

barrassing, only grants its support and its favour to these after it has, in the first place, provided for the welfare of the two other classes, infinitely more useful and more profitable from the point of view of the systematic and scientific colonisation of the country.

In 1913 the total number of individual colonisation lots secured for the future colonists was 258,882 or 12,370 more than in the previous year. These 258,882 lots have been assigned to 78,792 families. Of these families 66 % or a total number of 166,842 men capable of working had had their lots (that is to say so many individual colonisation lots), secured by "chodoks", 16 % or 40,012 adults had secured them themselves or through colonists already established, and finally 18 % (46,028) adults were individuals who came to Siberia on chance and at last were able to establish themselves.

The proportion of regular colonists who secure their lots through chodoks increases from year to year. In 1911 38.5 % were secured in this way the next year the number was 54.7 %, and as we have just seen, it became 66 % in 1913.

The number of families actually established on the colonisation holdings, either secured in advance or selected after their arrival on the spot reached in 1913 the total figure of 48,608, and included altogether 137,390 adult men fit for work. Of these 48,608 families, 22,509 containing 66,487 adults, established themselves on lots secured by chodoks, 13,007 containing 35,218 men, occupied lots chosen by themselves, and, finally, 13,092, containing 35,689 adults, consisted of independent individuals established on the unoccupied available land.

In regard to the system of establishment of these families, it is interesting to observe that 43,974 of them, or altogether 125,114 adults established themselves in villages and agricultural or other colonies, while 4,634 others, containing altogether 12,280 working men, have preferred to settle on land absolutely isolated and independent. This last class is becoming more and more common, although it is still far from being so general as establishment in colonies, which is more agreeable to the habit of the Russian peasant, and nearer to the traditional system of farming of the ancient "mir".

To the colonists of whom we have just spoken, we must add 535 families (or 15,503 adult men), who in the course of the year we are considering were received as members of the collective colonies already established in various regions, 371 families settled as lessees on land to be sold, 179 families in the newly irrigated districts of the "Hunger Steppe", and, finally, 2,063 families who have established their homes in the special colonies along the railway lines.

Taking into consideration all these groups, we find that the general total of the number of families established in Transural Russia, in 1913 alone was 56,771 with about 360,000 members in all.

Finally, the general impression received from the study of the official reports summarised above is that the work of home colonisation in Transural Russia is constantly progressing, and with regularity and success. To the

reflecting throng of the early years, the inevitable result of which was, on one hand, that the General Colonisation Department was necessarily able to cope with it and on the other the no less necessary disillusion of thousands of colonists, has succeeded a progressive and properly regulated evolution of immigration under the management of the State. There the disorderly crowd of independent immigrants diminishes — and we have seen that it is diminishing gradually and continuously — and the more the Russian peasant trusts to the advice of the competent authorities, the more he will find in Siberia the conditions he has expected. Without doubt, the final object is far from being attained as yet, but from year to year it becomes more evident that the General Colonisation Department is following the right course and that, in the not very remote future, the provinces of Transural Russia will be able to offer a piece of land of its own, to possess which is the dream of every agricultural labourer, to whom in European Russia who possesses no land.

AGRICULTURAL ECONOMY IN GENERAL

ARGENTINA

MIATELO (HUGO): EL hogar agrícola (*The Rural Household*). "Boletín Mensual Museo Social Argentino", Nos. 35 and 36. pp. 547-581. Buenos Aires, November-December, 1914.

Amadeo Tomás, editor of the "Boletín Mensual del Museo de Historia Natural de Argentina," has begun an active campaign for the initiation as far as possible in the country of a movement for the education of farm wives by means of a special educational establishment. With this object he recently opened an enquiry and the above essay was written by Sr. Matello, regional agricultural engineer of Mercedes, as his contribution towards the solution of the problem.

The information contained in its pages is exclusively derived from the author's personal observation of rural life in all its aspects in the neighbourhood of Mercedes. He has limited his interesting study to the farmhouses of the small landowners and tenant farmers, and he gives valuable information in regard to the dwellings, food, labour, hygienic conditions etc., considering especially the position of the women, what it is and what it should be in the rural household and ending with a recognition of the advisability of founding an educational institute to raise the rural and intellectual level of women so that they may be able in suitable manner to fulfil their vocations as wives and mothers and helpmeets of the small farmers in the homes.

SWEDEN.

ARBETARTILLÄGG, ARBETSTID OCH ARBETSLÖN INOM SVERIGES JORDBRUK ÅR 1911. *Men of Farm Labour in proportion to Demand, Hours of Work and Wages on Swedish Farms. Statistical Yearbook (third Year), published by the Social Affairs Division, in the Series "Statistiske officiële de la Suede". Stockholm, 1912; Nordstedt and Son, Stockholm.*

The Swedish Social Affairs Division has just published the third volume of its interesting statistical Yearbook concerned with the labour supply, the length of the working day and the wages on Swedish farms. The principal conclusions arrived at are as follows :

The general and increasing deficiency of labour in proportion to the requirements of Swedish agriculture, observed at the end of the last century is tending to increase still further. In 1913 the available agricultural labour only exceeded the limits of what was strictly indispensable in 4.9 % of all the communes. In 61.6 % of the communes it might be considered as sufficient for the requirements. Everywhere else, that is in 32.9 % of all the communes of the country it was clearly insufficient. In other words in that year, almost one third of the Kingdom suffered from more or less serious lack of agricultural labourers. In 1912 the proportion was less unsatisfactory; the percentage of communes with an insufficient labour supply was then only 31.9.

The detailed statistics for the provinces show that it is generally in communes in which wages are lowest that the deficiency is most felt. To this rule, natural enough in itself, there are, however, very many exceptions, due to various circumstances of a purely local character.

Wages vary considerably according to the district and the kind of work. The average wages of men farm servants, for example, for the whole Kingdom was 326 Swedish crowns (1 cr. = 1.46 fr.) per ann., with board and lodging in addition, the board being calculated at 357 crowns a year on an average. For women the figures were: wages, 189 crowns, lodging and board, the latter calculated at 288 crs. per ann. In the most northerly province, Norrland, these two classes of farm servants receive every year also some clothing.

The average wages of farm managers are higher, generally 329 crs. in cash, to which is to be added 730 crowns in kind (including lodging reckoned at 64 crs. per ann.).

The permanent day labourer receives on an average 2.54 crs. a day in summer and 1.94 crs. a day in winter. When he also receives board, these figures are reduced respectively to 0.80 and 0.71 crs.

Lastly, the occasional day labourer receives on an average wages of .61 crs. per working day in summer and 1.07 cr. in winter. He also receives his board.

Let us further observe that a constant rise in these wages is to be noted in recent years. Thus, for example, the average wages of farm servants, calculated at 326 crs. in 1913, exceeds that given in 1912 by 8 crowns, or 2.5 % and that given in 1911 by 15 crowns or 4.8 %. The proportion is nearly the same for the wages of the other classes of agricultural labourers.

Let us observe that in spite of this progressive increase in wages the rise of agricultural produce on the other hand tends to fall.

The above examples will serve to show all the interest presented by the new publication of the Social Affairs Division. Let us also observe that this publication, like most of the other Swedish statistical reports, is accompanied by a summary in French, and the headings of all the tables are also translated into French, so that the yearbook can be consulted even by persons ignorant of Swedish.

RUGGERI ALFREDO, gerente responsabile.